

CIRCULAR DATED 23 OCTOBER 2024

THIS CIRCULAR IS ISSUED BY DYNA-MAC HOLDINGS LTD.. THIS CIRCULAR IS IMPORTANT AS IT CONTAINS THE RECOMMENDATION OF THE INDEPENDENT DIRECTORS (AS DEFINED HEREIN) AND THE ADVICE OF THE INDEPENDENT FINANCIAL ADVISER. THIS CIRCULAR REQUIRES YOUR IMMEDIATE ATTENTION AND YOU SHOULD READ IT CAREFULLY.

If you are in any doubt as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor or other professional advisers immediately.

If you have sold or transferred all your Shares (as defined herein) held through CDP (as defined herein), you need not forward this Circular to the purchaser or the transferee, as arrangements will be made by CDP for a separate Circular to be sent to the purchaser or transferee. If you have sold or transferred all your Shares which are not deposited with CDP, you should immediately forward this Circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

This Circular has not been examined or approved by the Singapore Exchange Securities Trading Limited and the SGX-ST assumes no responsibility for the contents of this Circular, including the accuracy, completeness or correctness of any statements made, or opinions expressed, or reports contained in this Circular.



DYNA-MAC HOLDINGS LTD.

(Company Registration No.: 200305693E)

(Incorporated in the Republic of Singapore)

CIRCULAR TO SHAREHOLDERS

in relation to the

VOLUNTARY CONDITIONAL CASH OFFER

by

UNITED OVERSEAS BANK LIMITED

(Company Registration No. 193500026Z)

(Incorporated in the Republic of Singapore)

for and on behalf of

HANWHA OCEAN SG HOLDINGS PTE. LTD.

(Company Registration No. 202424953M)

(Incorporated in the Republic of Singapore)

to acquire all the issued and paid-up ordinary shares in the capital of the Company other than those already owned, controlled or agreed to be acquired by Hanwha Ocean SG Holdings Pte. Ltd. in accordance with Rule 15 of the Singapore Code on Take-overs and Mergers

Independent Financial Adviser to the Independent Directors of the Company



ZICO CAPITAL PTE. LTD.

(Company Registration No.: 201613589E)

(Incorporated in the Republic of Singapore)

SHAREHOLDERS SHOULD NOTE THAT THE REVISION OF OFFER PRICE ANNOUNCEMENT STATES THAT ACCEPTANCES SHOULD BE RECEIVED BY THE CLOSE OF THE OFFER AT 5.30 P.M. (SINGAPORE TIME) ON 6 NOVEMBER 2024 OR SUCH LATER DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE OFFEROR

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DEFINITIONS

“1H2024”	:	The six (6) months ended 30 June 2024
“Acceptance Forms”	:	The FAA and the FAT collectively or any one of them, as the case may be
“ACRA”	:	The Accounting and Corporate Regulatory Authority of Singapore
“Awards”	:	Shall have the meaning ascribed to it in Section 4.1 (Awards) of the Letter to Shareholders in the Offer Document and as reproduced in Section 2.8 (Awards) of the Letter to Shareholders in this Circular
“Board of Directors”	:	The board of Directors of the Company as at the Latest Practicable Date
“Business Day”	:	A day (other than Saturday, Sunday or a public holiday) on which commercial banks are open for business in Singapore
“CDP”	:	The Central Depository (Pte) Limited
“Circular”	:	This circular to Shareholders dated 23 October 2024 issued by the Company to the Shareholders in relation to the Offer
“Closing Date”	:	5.30 p.m. (Singapore time) on 6 November 2024 or such later date(s) as may be announced from time to time by or on behalf of the Offeror, being the last day for the lodgement of acceptances of the Offer
“Code”	:	The Singapore Code on Take-overs and Mergers
“Committee”	:	The committee comprising members of the remuneration committee of the Company or such other committee comprising Directors of the Company duly authorized and appointed by the Board of Directors to administer the DMSAS 2021
“Companies Act”	:	The Companies Act 1967 of Singapore as amended, modified and supplemented from time to time
“Company Securities”	:	(i) Shares; (ii) securities which carry voting rights in the Company; (iii) securities convertible or exchangeable into new or existing Shares or securities which carry voting rights in the Company; (iv) warrants or securities carrying subscription rights into Shares or securities which carry voting rights in the Company, including the Warrants; or (v) options and derivatives in respect of any of the foregoing
“Compulsory Acquisition”	:	Shall have the meaning as described in Section 12.2 (Compulsory Acquisition) of the Letter to Shareholders in the Offer Document and as reproduced in Section 7 (Listing Status)

DEFINITIONS

		and Compulsory Acquisition) of the Letter to Shareholders in this Circular
“Constitution”	:	The constitution of the Company, as amended from time to time up to the Latest Practicable Date
“CPF”	:	Central Provident Fund
“CPF Agent Banks”	:	Agent banks included under the CPFIS
“CPFIS”	:	Central Provident Fund Investment Scheme
“CPFIS Investors”	:	Investors who have purchased Shares using their CPF contributions pursuant to the CPFIS
“Despatch Date”	:	2 October 2024, being the date of despatch of the Offer Document Notification and the Acceptance Forms, and the electronic dissemination of the Offer Document and any related Documents
“Directors”	:	Directors of the Company as at the Latest Practicable Date
“Distributions”	:	Any dividends, rights, other distributions and/or return of capital (if any) declared, paid or made by the Company in respect of the Offer Shares
“DMSAS 2021”	:	The Dyna-Mac Share Award Scheme 2021 which was approved and adopted by shareholders of the Company on 29 April 2021
“Encumbrances”	:	Any claims, charges, equities, mortgages, liens, options, pledges, encumbrances, powers of sale, declarations of trust, hypothecations, retention of title, rights of pre-emption, rights of first refusal, moratorium and other third party rights or security interest of any kind or an agreement, arrangement or obligation to create any of the foregoing
“FAA”	:	Form of Acceptance and Authorisation for Offer Shares, which forms part of the Offer Document and which is issued to Shareholders whose Offer Shares are deposited with CDP
“FAT”	:	Form of Acceptance and Transfer for Offer Shares, which forms part of the Offer Document and which is issued to Shareholders whose Offer Shares are not deposited with CDP
“Final Offer Price”	:	S\$0.67 in cash for each Offer Share
“FY2021”	:	Means the financial year ended 31 December 2021
“FY2022”	:	Means the financial year ended 31 December 2022
“FY2023”	:	Means the financial year ended 31 December 2023
“FY2023 Results”	:	The audited consolidated financial statements of the Group for FY2023 set out in the annual report of the Company published

DEFINITIONS

- on the SGXNET on 3 April 2024, as set out in Appendix IV to this Circular
- “IFA Letter”** : The letter dated 23 October 2024 from the IFA to the Independent Directors containing its advice in relation to the Offer, as set out in Appendix I to this Circular
- “Independent Directors”** : The Directors who are considered to be independent for the purposes of the Offer, namely, Mr. Lim Ah Cheng, Mr. Henry Tan Song Kok, Ms. Lee Kim Lian, Juliana and Ms. Lim Rui Ping
- “Interested Person”** : As defined in the Note on Rule 24.6 of the Code and read with the Note on Rule 23.12 of the Code, an interested person, in relation to a company, is:
- (a) a director, chief executive officer, or Substantial Shareholder of the company;
 - (b) the immediate family of a director, the chief executive officer, or a Substantial Shareholder (being an individual) of the company;
 - (c) the trustees, acting in their capacity as such trustees, of any trust of which a director, the chief executive officer or a Substantial Shareholder (being an individual) and his immediate family is a beneficiary;
 - (d) any company in which a director, the chief executive officer or a Substantial Shareholder (being an individual) together and his immediate family together (directly or indirectly) have an interest of 30% or more;
 - (e) any company that is the subsidiary, holding company or fellow subsidiary of the Substantial Shareholder (being a company); or
 - (f) any company in which a Substantial Shareholder (being a company) and any of the companies listed in (e) above together (directly or indirectly) have an interest of 30% or more
- “Irrevocable Undertaking”** : Shall have the meaning as described in Section 7 (Irrevocable Undertakings) of the Letter to Shareholders in the Offer Document and as reproduced in Section 4 (Irrevocable Undertaking) of the Letter to Shareholders in this Circular
- “Latest Practicable Date”** : 15 October 2024, being the latest practicable date prior to the electronic dissemination of this Circular
- “Level of Acceptances Announcement”** : The announcement dated 14 October 2024 issued by UOB, for and on behalf of the Offeror, in connection with the level of acceptances in respect of the Offer

DEFINITIONS

“Listing Manual”	:	The listing manual of the SGX-ST
“Market Day”	:	A day on which the SGX-ST is open for trading of securities
“Merger Control Condition”	:	Shall have the meaning ascribed to it in Section 2.6(b) (Merger Control Condition) of the Letter to Shareholders in the Offer Document and as reproduced in Section 2.1 (Offer Shares and Offer Price) of the Letter to Shareholders in this Circular
“Minimum Acceptance Condition”	:	Shall have the meaning ascribed to it in Section 2.6(a) (Minimum Acceptance Condition) of the Letter to Shareholders in the Offer Document and as reproduced in Section 2.1 (Offer Shares and Offer Price) of the Letter to Shareholders in this Circular
“Offer”	:	The Original Offer as revised by the Revision of Offer Price Announcement
“Original Offer”	:	The voluntary conditional cash offer by UOB, for and on behalf of the Offeror, to acquire the Offer Shares, on the terms and subject to the conditions set out in the Offer Document, the FAA and the FAT
“Offer Announcement”	:	The announcement in connection with the Offer released by UOB, for and on behalf of the Offeror on the Offer Announcement Date
“Offer Announcement Date”	:	11 September 2024, being the date of the Offer Announcement
“Offer Document”	:	The offer document dated 2 October 2024 and any other document(s) which may be issued for and on behalf of the Offeror to amend, revise, supplement or update the document from time to time
“Offer Document Notification”	:	Notification of electronic dissemination of the Offer Document and its related documents dated 2 October 2024
“Original Offer Price”	:	S\$0.60 in cash for each Offer Share
“Offer Shares”	:	All the issued Shares to which the Offer relates, as described in Sections 2.1 (Offer) and 2.2 (Offer Shares) of the Letter to Shareholders in the Offer Document and as reproduced in Section 2.1 (Offer Shares and Offer Price) of the Letter to Shareholders in this Circular
“Offeror Securities”	:	(i) Equity share capital of the Company and the Offeror; (ii) securities of the Offeror which carry the same or substantially the same rights as any to be issued as consideration for the Offer; (iii) securities carrying conversion or subscription rights into any of the foregoing; and (iv) options and derivatives in respect of any of the foregoing

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“Overseas Shareholder”	:	A Shareholder whose address is outside Singapore as shown in the Register or in the Depository Register (as the case may be)
“Performance Targets”	:	The performance targets prescribed by the Committee to be fulfilled by a person selected by the Committee to participate in the DMSAS 2021 in accordance with the provisions of the DMSAS 2021, for any particular period under the DMSAS 2021
“Register”	:	The register of holders of the Shares, as maintained by the Registrar
“Revision of Offer Price Announcement”	:	The announcement dated 14 October 2024 issued by UOB, for and on behalf of the Offeror, in connection with the Final Offer Price, confirmation of no revision to the Final Offer Price and extension of the Closing Date
“Revised Offer Notification”	:	The written notification to be posted to all Shareholders in respect of the Final Offer Price
“Rule 22.6 Period”	:	Shall have the meaning ascribed to it in Paragraph 1.4 (Offer to Remain Open for 14 Days After Being Declared Unconditional as to Acceptances) of Appendix 1 to the Offer Document and as reproduced in Section 2.9 (Details of the Offer) of the Letter to Shareholders in this Circular
“SFA”	:	The Securities and Futures Act 2001 of Singapore, as amended, modified and supplemented from time to time
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Shareholders”	:	Holders of the Offer Shares, including persons whose Offer Shares are deposited with CDP or who have purchased Offer Shares on the SGX-ST
“Shares”	:	Ordinary shares in the capital of the Company
“Shut-Off Notice”	:	Shall have the meaning ascribed to it in Paragraph 1.4 (Offer to Remain Open for 14 Days After Being Declared Unconditional as to Acceptances) of Appendix 1 to the Offer Document and as reproduced in Section 2.9 (Details of the Offer) of the Letter to Shareholders in this Circular
“SIC”	:	Securities Industry Council of Singapore
“SRS”	:	The Supplementary Retirement Scheme
“SRS Agent Banks”	:	Agent banks included under SRS
“SRS Investors”	:	Investors who purchase Shares pursuant to SRS
“Subject Assets”	:	(i) the warehouse, workshop, office building, and yard located at 31 Gul Road, Singapore 629358, 33 Gul Road, Singapore 629359, 45 Gul Road, Singapore 629350 and 59 Gul Road, Singapore 629354;

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	(ii) the workshop and yard located at 13 Pandan Crescent, Singapore 128469;
	(iii) the open fabrication area, located at PID1992020482, 35 Pioneer Road, C, Singapore 628503; and
	(iv) the workshop, offices and yard located at 49 Gul Road, Singapore 629360
“Substantial Shareholder”	: A person who has an interest in not less than five per cent. (5%) of the total number of issued voting Shares
“Summary Valuation Report”	: The summary of the valuation report issued by the Independent Valuer of the Company in relation to the valuation of the Subject Assets as at the Valuation Date
“Valuation Date”	: 1 October 2024
“Warrants”	: The bonus warrants issued by the Company, which are exercisable into new Shares
“Warrantholders”	: Holders of Warrants
“Warrants Offer”	: Shall have the meaning ascribed to it in Section 3.2 (No Warrants Offer) of the Letter to Shareholders in the Offer Document and as reproduced in Section 2.7 (No Warrants Offer) of the Letter to Shareholders in this Circular
“\$” or “S\$” and “cents”	: Singapore dollars and cents, respectively
“%” or “per cent.”	: Per centum or percentage

Companies/Individuals

“Offeror”	: Hanwha Ocean SG Holdings Pte. Ltd.
“Company”	: Dyna-Mac Holdings Ltd.
“E&Y”	: Ernst & Young LLP, being the independent auditors in relation to the audit of the Company’s consolidated financial statements for the financial year ended 31 December 2023
“Group”	: The Company and its subsidiaries
“Hanwha Aerospace”	: Hanwha Aerospace Co., Ltd.
“Hanwha Ocean”	: Hanwha Ocean Co., Ltd.
“IFA”	: ZICO Capital Pte. Ltd., the independent financial adviser to the Independent Directors in relation to the Offer
“Independent Valuer” or “Savills Valuation”	: Savills Valuation And Professional Services (S) Pte. Ltd.

DEFINITIONS

“Lee & Lee”	:	Lee & Lee, legal adviser to the Company
“Registrar”	:	Boardroom Corporate & Advisory Services Pte. Ltd., in its capacity as the share registrar of the Company
“UOB”	:	United Overseas Bank Limited

Acting in concert. The term “acting in concert” shall have the meaning ascribed to it in the Code.

Announcements and Notices. References to the making of an announcement or the giving of notice by the Company shall include the release of an announcement by the Company or its agents, for and on behalf of the Company, to the press or the delivery of or transmission by telephone, facsimile, SGXNET or otherwise of an announcement to the SGX-ST. An announcement made otherwise than to the SGX-ST shall be notified simultaneously to the SGX-ST.

Capitalised Terms in Extracts. Statements which are reproduced in their entirety from the Offer Document, the Revision of Offer Price Announcement, the IFA Letter and the Constitution are set out in this Circular within quotes and italics, and capitalised terms used within these reproduced statements and not defined herein shall bear the same meanings as attributed to them in the Offer Document, the Revision of Offer Price Announcement, the IFA Letter and the Constitution respectively.

Depositors, etc. The terms “Depositor”, “Depository Agent” and “Depository Register” shall have the meaning ascribed to them respectively in Section 81SF of the SFA.

Genders. Words importing the singular shall, where applicable, include the plural and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall, where applicable, include corporations.

Headings. The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Rounding. Any discrepancies in figures included in this Circular between amounts shown and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures that precede them.

Shareholders. References to “you”, “your” and “yours” in this Circular are, as the context so determines, to Shareholders.

Statutes. Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the Code or the Listing Manual or the SFA or any modification thereof and used in this Circular shall, where applicable, have the meaning assigned to it under the Companies Act, the Code or the Listing Manual or the SFA or any modification thereof, as the case may be, unless the context otherwise requires.

Subsidiary and Related Corporation. References to “subsidiary” and “related corporation” shall have the meanings ascribed to them respectively in Sections 5 and 6 of the Companies Act.

Time and Date. Any reference to a time of the day and date in this Circular shall be a reference to Singapore time and date, respectively, unless otherwise stated.

Total number of issued Shares. Unless otherwise stated, references in this Circular to the total number of issued Shares are based on 1,197,696,175 Shares in issue as at the Latest Practicable Date, unless otherwise stated.

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

All statements other than statements of historical facts included in this Circular are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as “seek”, “expect”, “anticipate”, “estimate”, “believe”, “intend”, “project”, “plan”, “strategy”, “forecast” and similar expressions or future or conditional verbs such as “will”, “would”, “should”, “could”, “may” and “might”. These statements reflect the Company’s current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information as at the Latest Practicable Date. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results or outcomes may differ materially from those described in such forward-looking statements. Shareholders and investors should not place undue reliance on such forward-looking statements. Shareholders and investors should not place undue reliance on such forward-looking statements, and neither the Company nor the IFA guarantees any future performance or event, or undertakes any obligation to update publicly or publicly announce any revisions to those forward-looking statements, subject to compliance with any applicable laws and regulations, the Code, the Listing Manual, and/or any other regulatory or supervisory body or agency.

INDICATIVE TIMELINE

Date of dissemination of the Offer Document : 2 October 2024

Date of dissemination of this Circular : 23 October 2024

Closing Date : 5.30 p.m. (Singapore time) on 6 November 2024⁽¹⁾ or such later date(s) as may be announced from time to time by or on behalf of the Offeror, being the last day for the lodgement of acceptances of the Offer.

Please refer to Paragraph 6 of the Revision of Offer Price Announcement for further information.

Settlement of consideration for valid acceptances of the Offer : (a) in respect of acceptances of the Offer which are complete and valid in all respects and are received on or before the date on which the Offer becomes or is declared to be unconditional in all respects, within seven (7) Business Days of that date; or

(b) in respect of acceptances which are complete and valid in all respects and are received after the Offer becomes or is declared to be unconditional in all respects, but before the Offer closes, within seven (7) Business Days of the date of such receipt.

Please refer to Paragraph 2 of Appendix 1 to the Offer Document for further information.

Note:

- (1) Pursuant to Rule 22.6 of the Code, if the Offer becomes or is declared unconditional as to acceptances, the Offer will remain open for the Rule 22.6 Period in order to give Shareholders who have not accepted the Offer the opportunity to do so.

This requirement does not apply if, before the Offer has become or is declared unconditional as to acceptances, the Offeror has given Shareholders the Shut-Off Notice that the Offer will not be open for acceptance beyond a specified Closing Date, provided that:

- (a) the Offeror may not give a Shut-Off Notice in a competitive situation; and
- (b) the Offeror may not enforce a Shut-Off Notice, if already given, in a competitive situation.

For these purposes, the SIC would normally regard a “competitive situation” to have arisen if a competing offer for the Company has been announced.

If a declaration that the Offer is unconditional is confirmed in accordance with Paragraph 4.2(a) (Right of Withdrawal of Shareholders) of Appendix 1 of the Offer Document, the Rule 22.6 Period will run from the date of such confirmation or the date on which the Offer would otherwise have closed, whichever is later.

LETTER TO SHAREHOLDERS

DYNA-MAC HOLDINGS LTD.
(Company Registration No.: 200305693E)
(Incorporated in the Republic of Singapore)

Board of Directors:

MR. LIM AH CHENG
(Executive Chairman and Chief Executive Officer)

MR. HENRY TAN SONG KOK
(Lead Independent Director)

MS. LEE KIM LIAN, JULIANA
(Independent Director)

MS. LIM RUI PING
(Non-Executive Non-Independent Director)

Registered Office:

59 Gul Road
Singapore 629354

23 October 2024

To: The Shareholders of Dyna-Mac Holdings Ltd.

Dear Sir/Madam

VOLUNTARY CONDITIONAL CASH OFFER FOR THE OFFER SHARES

1 INTRODUCTION

1.1 Offer Announcement

On the Offer Announcement Date, UOB announced, for and on behalf of the Offeror, that the Offeror intends to make a voluntary conditional cash offer for all the Shares in the capital of the Company other than already owned, controlled or agreed to be acquired by the Offeror as at the date of the Offer in accordance with Rule 15 of the Code.

The Offer Announcement is available on the SGXNET at www.sgx.com.

1.2 Offer Document

Shareholders should have by now received a copy of the Offer Document Notification, which contains the instructions for the electronic retrieval of the Offer Document disseminated on 2 October 2024 setting out, *inter alia*, the terms and conditions of the Offer.

The Offer Document sets out, *inter alia*, the terms and conditions of the Offer. The principal terms and conditions of the Offer are set out in Section 2 of the Offer Document.

An electronic copy of the Offer Document is available for download on the website of the SGX-ST at <http://www.sgx.com>.

1.3 Revision of Offer Price Announcement

On 14 October 2024, UOB announced in the Revision of Offer Price Announcement, for and on behalf of the Offeror, that: (i) the Offer Price for each Offer Share would be revised to the Final Offer Price; (ii) the Offeror does not intend to revise the Final Offer Price, save that the Offeror reserves the right to do so in a competitive situation; and (iii) the Closing Date has been extended.

LETTER TO SHAREHOLDERS

A copy of the Revision of Offer Price Announcement is available on the website of the SGX-ST at www.sgx.com.

According to the Revision of Offer Price Announcement, the Revised Offer Notification will be posted to all Shareholders in respect of the Final Offer Price. As at the Latest Practicable Date, the Revised Offer Notification has not been posted to Shareholders.

Shareholders are advised to read the terms and conditions of the Offer set out in the Offer Document and the Revision of Offer Price Announcement carefully.

1.4 Independent Financial Adviser

The Company has appointed ZICO Capital Pte. Ltd. as the independent financial adviser to advise the Independent Directors in respect of the Offer. The advice of the IFA is set out in the IFA Letter in Appendix I to this Circular.

1.5 Purpose of this Circular

The purpose of this Circular is to provide Shareholders with relevant information pertaining to the Company and the Offer, and to set out the recommendation of the Independent Directors and the advice of the IFA to the Independent Directors with regard to the Offer.

Shareholders should read the Offer Document, the Revision of Offer Price Announcement, this Circular and the IFA Letter carefully and consider the recommendation of the Independent Directors and the advice of the IFA to the Independent Directors in respect of the Offer before deciding on whether to accept or reject the Offer.

If you are in any doubt in relation to this Circular or as to the action you should take, you should consult your stockbroker, bank manager, solicitor or other professional advisers.

2 THE OFFER

The Offer is made by the Offeror, on the principal terms set out in Section 2 of the Offer Document (as revised in the Revision of Offer Price Announcement), extracts of which are set out below.

Unless otherwise defined, all terms and expressions used in the extracts below shall have the same meanings as ascribed to them in the Offer Document.

2.1 Offer Shares and Final Offer Price

The consideration for each Offer Share is as follows: S\$0.67 in cash, being the Final Offer Price as stated in the Revision of Offer Price Announcement.

UOB has stated, for and on behalf of the Offeror in the Revision of Offer Price Announcement, that it does not intend to revise the Final Offer Price, save that the Offeror reserves the right to do so in a competitive situation.

Shareholders who have earlier accepted the Offer are entitled to the Final Offer Price, subject to the Offer becoming or being declared to be unconditional in all respects in accordance with its terms. Accordingly, no further action in respect of the Offer is required to be taken by Shareholders who have already validly accepted the Offer.

Save as disclosed in the Revision of Offer Price Announcement, all other terms and conditions of the Offer as set out in the Offer Document remain unchanged.

Sections 2.1 to 2.2, 2.4 to 2.7, 2.9 and 9.2 of the Offer Document set out information on the Offer and the share capital of the Company, extracts of which are set out below. Unless otherwise defined, all terms and expressions used in the extracts below shall have the same meanings as those defined in the Offer Document.

LETTER TO SHAREHOLDERS

2. THE OFFER

2.1. **Offer.** UOB, for and on behalf of the Offeror, hereby makes the Offer to acquire all the issued and paid-up ordinary Shares other than those already owned, controlled or agreed to be acquired by the Offeror (the “**Offer Shares**”) in accordance with Rule 15 of the Code and on the terms and subject to the conditions set out in this Offer Document, the FAA and the FAT.

2.2. **Offer Shares.** For the avoidance of doubt, the Offer will be extended, on the same terms and conditions, to all the Offer Shares. The Offer Shares include all new Shares unconditionally issued or to be issued prior to the Closing Date pursuant to:

(a) the valid exercise of the Warrants; and

(b) the valid vesting and release of outstanding Awards granted under the Dyna-Mac Share Award Scheme 2021.

2.4. **No Encumbrances.** The Offer Shares are to be acquired (a) fully paid, (b) free from all Encumbrances, and (c) together with all rights, benefits, entitlements and advantages attached thereto as at the Offer Announcement Date, and thereafter attaching thereto, including but not limited to the right to receive and retain all Distributions (if any), the Record Date for which falls on or after the Offer Announcement Date.

2.5. **Adjustments for Distributions.** Without prejudice to the foregoing, the Offer Price has been determined on the basis that the Offer Shares will be acquired with the right to receive any Distributions, the Record Date for which falls on or after the Offer Announcement Date.

In the event any Distribution is or has been declared, paid or made by the Company in respect of the Offer Shares, the Record Date for which falls on or after the Offer Announcement Date, the Offer Price payable to a Shareholder who validly accepts or has validly accepted the Offer shall be reduced by an amount which is equal to the amount of such Distribution as follows, depending on when the settlement date in respect of the Offer Shares tendered in acceptance of the Offer by such accepting Shareholder falls, as follows:

(a) if such settlement date falls on or before the Record Date, the Offer Price shall remain unadjusted for each Offer Share, as the Offeror will receive the Distribution in respect of such Offer Shares from the Company; and

(b) if such settlement date falls after the Record Date, the Offer Price payable for such Offer Shares tendered in acceptance shall be reduced by an amount which is equal to the amount of the Distribution in respect of such Offer Shares, as the Offeror will not receive such Distribution from the Company.

2.6. **Conditions to the Offer.** The Offer will be subject to the conditions set out below.

(a) **Minimum Acceptance Condition.** The Offer is conditional upon the Offeror having received, by the close of the Offer, valid acceptances in respect of such number of Offer Shares which, when taken together with the Shares owned by the Offeror and parties acting or deemed to be acting in concert with it, will result in the Offeror and parties acting or deemed to be acting in concert with it holding more than 50% of the Shares in issue as at the close of the Offer (including any Shares which may be unconditionally issued pursuant to the exercise of the Warrants and/or valid vesting and release of the Awards granted under the Dyna-Mac Share Award Scheme 2021 prior to the close of the Offer) (the “**Minimum Acceptance Condition**”).

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Accordingly, the Offer will not become or be capable of being declared unconditional as to acceptances until the close of the Offer, unless at any time prior to the close of the Offer, the Offeror has received valid acceptances in respect of such number of Offer Shares which will result in the Offeror and parties acting or deemed to be acting in concert with it holding such number of Shares amounting to more than 50% of the maximum potential issued share capital of the Company. For this purpose, the “**maximum potential issued share capital of the Company**” means the total number of Shares which would be in issue had all the Warrants (to the extent such Warrants continue to be exercisable into new Shares) been exercised and all the Shares under Awards granted under the Dyna-Mac Share Award Scheme 2021 been issued and delivered as at the date of such declaration.

- (b) **Merger Control Condition.** The Offer is conditional upon the CCCS having issued a favourable decision, in terms satisfactory to the Offeror, during its preliminary assessment pursuant to the CCCS Guidelines on Merger Procedures that the proposed acquisition of the Company by the Offeror will not infringe the provisions under Section 54 of the Competition Act 2004 of Singapore (the “**Favourable Decision**”) (the “**Merger Control Condition**”).

Merger Control Event. The Offer shall lapse in the event (each, a “**Merger Control Event**”) that:

- (i) CCCS refers the proposed acquisition of the Company by the Offeror, or any matter arising from or relating to that proposed acquisition, to a more detailed assessment pursuant to the CCCS Guidelines on Merger Procedures; or
- (ii) CCCS issues a direction that prohibits the Offeror from acquiring voting rights in the Company,

before the first Closing Date as set out in this Offer Document, being 5.30 p.m. (Singapore time) on 30 October 2024, or the date when the Offer becomes or is declared unconditional as to acceptances, whichever is the later.

- 2.7. **Lapse.** If the Offer lapses as a result of a Merger Control Event, the effects are that the Offer will cease to be capable of further acceptance and both the Shareholders and the Offeror will cease to be bound by prior acceptances of the Offer. If, following the lapse of the Offer as a result of a Merger Control Event, CCCS issues a Favourable Decision, a new offer period shall automatically commence following the date of issue of the Favourable Decision. Such new offer period shall terminate on the earlier of:

- (a) the date on which the Offeror announces that it does not intend to make a new offer; and
- (b) 21 days following the date of issue of the Favourable Decision if the Offeror does not subsequently announce a new offer.

- 2.9. **Warranty.** A Shareholder who tenders his Offer Shares in acceptance of the Offer will be deemed to unconditionally and irrevocably represent, warrant and undertake to the Offeror that he sells such Offer Shares as or on behalf of the beneficial owner(s) thereof, (a) fully paid, (b) free from all Encumbrances, and (c) together with all rights, benefits, entitlements and advantages attached thereto as at the Offer Announcement Date and thereafter attaching thereto, including the right to all Distributions (if any), the Record Date for which falls on or after the Offer Announcement Date.

LETTER TO SHAREHOLDERS

9.2. **Share Capital.** *Based on information available to the Offeror as at the Latest Practicable Date, the Company has:*

- (a) an issued and paid-up share capital of S\$166,243,795.05 comprising 1,163,583,747 issued Shares. As at the Latest Practicable Date, the Company does not hold any Shares in treasury;*
- (b) 89,444,888 Warrants;*
- (c) 7,701,200 outstanding Awards pursuant to which 7,701,200 new Shares will be issued and allotted by the Company upon vesting of the Awards. These Awards will be released and vested in tranches in 2025, subject to the achievement of performance targets as prescribed under the terms of individual Awards; and*
- (d) no outstanding options granted under the Dyna-Mac Share Option Scheme 2021 which was approved and adopted by the shareholders of the Company on 29 April 2021.*

2.2 Rights and Encumbrances

Section 2.4 of the Offer Document extracted in Section 2.1 of this Circular above sets out information on the Offer Shares.

2.3 Adjustment for Distributions

Section 2.5 of the Offer Document extracted in Section 2.1 of this Circular above sets out information on how the Offer Price is adjusted for Distributions.

2.4 Conditional Offer

Section 2.6 of the Offer Document extracted in Section 2.1 of this Circular above sets out the Minimum Acceptance Condition of the Offer and the Merger Control Condition. Save for the Minimum Acceptance Condition and the Merger Control Condition, the Offer is unconditional in all other respects.

2.5 Warranty

Section 2.9 of the Offer Document extracted in Section 2.1 of this Circular above states the representations and warranties of an accepting Shareholder. Unless otherwise defined, all terms and expressions used in the extracts above shall have the same meanings as those defined in the Offer Document.

2.6 Revised Closing Date

According to the Offer Document, the Offer is open for acceptance by Shareholders for at least 28 days from the Despatch Date, unless the Offer is withdrawn with the consent of the SIC and every person released from any obligation incurred thereunder.

As stated in Paragraph 6 of the Revision of Offer Price Announcement, pursuant to Rule 20.1 of the Code, the Offer must be kept open for at least 14 days from the date of posting of the written notification of revision to Shareholders. It was also stated that the Revised Offer Notification will be posted to all Shareholders in respect of the Revised Offer Price and the Offer will remain open for acceptance for not less than 14 days from the date of posting of the Revised Offer Notification.

Accordingly, the Closing Date of the Offer is extended to 5.30 p.m. (Singapore time) on 6 November 2024 or such later date(s) as may be announced from time to time by or on behalf of the Offeror.

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2.7 No Warrants Offer

Section 3 of the Offer Document states that the Offeror will not be making an offer to Warrantholders to acquire their Warrants, the full text of which has been extracted from the Offer Document and set out below. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

3 NO WARRANTS OFFER

3.1 **Warrants.** *As at the Latest Practicable Date, based on the latest information available to the Offeror, the Company has 89,444,888 Warrants, which are exercisable into 89,444,888 new Shares representing approximately 7.09% of the enlarged total number of issued Shares¹. Each Warrant is exercisable into one (1) Share at an exercise price of S\$0.15 during the exercise period from 22 July 2024 to 22 October 2024. The terms and conditions of the Warrants are set out in the deed poll constituting the Warrants executed by the Company on 8 January 2024.*

3.2 **No Warrants Offer.** *As the Warrants are transferable by the Warrantholders, the Offeror would have been required, pursuant to Rule 19 of the Code, to make an offer to the Warrantholders to acquire the Warrants (the “**Warrants Offer**”). However, the Offeror had sought, and the SIC had granted, a waiver of the requirement for the Offeror to make the Warrants Offer pursuant to Rule 19 of the Code, subject to certain conditions (the “**Warrants Offer Waiver**”).*

Accordingly, the Offeror will not be making a Warrants Offer to Warrantholders to acquire their Warrants.

3.3 **No Purchases of Warrants.** *Based on the latest information available to the Offeror as at the Latest Practicable Date, none of the Offeror nor any parties acting or deemed to be acting in concert with it have made any purchases of Warrants during the period commencing three (3) months prior to the Offer Announcement Date and up to the Latest Practicable Date.*

3.4 **Reasons for Seeking the Warrants Offer Waiver.**

The Offeror had sought the Warrants Offer Waiver on the following grounds:

- (a) *The Warrants Offer, if required to be made, would be subject to the Offer becoming unconditional in accordance with its terms, and the Warrants continuing to be exercisable into new Shares.*
- (b) *The Warrants expire on 22 October 2024. Due to the anticipated timing required for the fulfilment of the Merger Control Condition, the Offer is highly unlikely to become unconditional in all respects by the expiry of the Warrants. As such, the Warrants will in all likelihood expire prior to the first Closing Date without the Offer becoming unconditional in accordance with its terms, and the Warrants Offer will lapse upon the expiry of the Warrants. In such event, Warrantholders who have tendered their Warrants in acceptance of the Warrants Offer would not receive any payment for their Warrants given that the Warrants Offer would have lapsed and they would also be unable to exercise their Warrants into new Shares (and tender such Shares into the Offer) because they would not be permitted to withdraw their acceptances² in time to do so.*

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(c) Accordingly, the Warrants Offer Waiver was sought so as to avoid potential confusion and/or prejudice that may be caused to the Warranholders as a result of the above scenario. Warranholders will still have the option to exercise their Warrants into new Shares and tender such Shares into the Offer.

Although the Offeror has not made a Warrants Offer to Warranholders to acquire their Warrants, the Offer is extended to all new Shares issued pursuant to the exercise of the Warrants prior to the close of the Offer. Accordingly, Warranholders can accept the Offer by exercising their Warrants into Shares in accordance with the terms and conditions of the Warrants and tendering such Shares in acceptance of the Offer in accordance with the terms of the Offer.

¹ Based on an enlarged total number of 1,260,729,835 issued Shares, assuming the maximum number of Shares have been issued pursuant to the exercise of all outstanding Warrants as at the Latest Practicable Date and the valid vesting and release of the awards granted under the Dyna-Mac Share Award Scheme 2021.

² Under Rule 29 of the Code, a Warranholder who accepts the Warrants Offer would only be entitled to withdraw his acceptance after 14 days from the first closing date of the Offer, if the Offer has not by then become unconditional as to acceptances.

2.8 Awards

Section 4 of the Offer Document states that the Offeror has not made an offer to acquire the Awards, extracts of which are set out below. As mentioned in Section 4.2 of the Offer Document, for the avoidance of doubt, the Offer is extended to all new Shares unconditionally issued or to be issued pursuant to the valid vesting and release of any outstanding Awards prior to the Closing Date. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

4. AWARDS

4.1 Awards. As at the Latest Practicable Date, based on the information available to the Offeror, there are 7,701,200 outstanding awards granted under the Dyna-Mac Share Award Scheme 2021 (“Awards”).

4.2 Offer Extended to Shares Issued Pursuant to Vesting and Release of Awards. As the Awards are not transferable by the holders thereof, the Offeror has not made an offer to acquire the Awards, although, for the avoidance of doubt, the Offer is extended to all new Shares unconditionally issued or to be issued pursuant to the valid vesting and release of any outstanding Awards prior to the Closing Date.

2.9 Details of the Offer

The details of the Offer relating to: (a) the duration of the Offer; (b) the settlement of the consideration for the Offer; (c) the requirements relating to the announcement on the level of acceptances of the Offer; and (d) the right of the withdrawal of acceptances of the Offer, are set out in Section 5 and the relevant sections of Appendix 1 to the Offer Document, extracts of which are set out below. Unless otherwise defined, all terms and expressions used in the extracts below shall have the same meanings as those defined in the Offer Document.

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5. FURTHER DETAILS OF THE OFFER

Appendix 1 to this Offer Document sets out further details on:

- (a) the duration of the Offer;
- (b) the settlement of the consideration for the Offer;
- (c) the requirements relating to the announcement(s) of the level of acceptances of the Offer; and
- (d) the right of withdrawal of acceptances of the Offer.

APPENDIX 1

DETAILS OF THE OFFER

1. DURATION OF THE OFFER

1.2 Subsequent Closing Date(s). If the Offer is extended and:

- (a) the Offer is not unconditional as to acceptances as at the date of such extension, the announcement of the extension must state the next Closing Date; or
- (b) the Offer is unconditional as to acceptances as at the date of such extension, the announcement of the extension need not state the next Closing Date but may state that the Offer will remain open until further notice. In such a case, the Offeror must give Shareholders at least 14 days' prior notice in writing before it may close the Offer.

APPENDIX 1

DETAILS OF THE OFFER

1. DURATION OF THE OFFER

1.4 Offer to Remain Open for 14 Days After Being Declared Unconditional as to Acceptances. Pursuant to Rule 22.6 of the Code, if the Offer becomes or is declared unconditional as to acceptances, the Offer will remain open for a period (the "**Rule 22.6 Period**") of not less than 14 days after the date on which the Offer would otherwise have closed, in order to give Shareholders who have not accepted the Offer the opportunity to do so.

This requirement does not apply if, before the Offer has become or is declared unconditional as to acceptances, the Offeror has given Shareholders at least 14 days' notice in writing (the "**Shut-Off Notice**") that the Offer will not be open for acceptance beyond a specified Closing Date, provided that:

- (a) the Offeror may not give a Shut-Off Notice in a competitive situation; and

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- (b) *the Offeror may not enforce a Shut-Off Notice, if already given, in a competitive situation.*

For these purposes, the SIC would normally regard a “competitive situation” to have arisen if a competing offer for the Company has been announced.

If a declaration that the Offer is unconditional is confirmed in accordance with Paragraph 4.2(a) (Right of Withdrawal of Shareholders) of this Appendix 1, the Rule 22.6 Period will run from the date of such confirmation or the date on which the Offer would otherwise have closed, whichever is later.

1.5 Final Day Rule. *The Offer (whether revised or not) will not be capable:*

- (a) *of becoming or being declared unconditional as to acceptances after 5.30 p.m. (Singapore time) on the 60th day after the Despatch Date; or*
- (b) *of being kept open after the expiry of such 60-day period unless the Offer has previously become or been declared to be unconditional as to acceptances,*

provided that the Offeror may extend the Offer beyond such 60-day period with the SIC’s prior consent (the “Final Day Rule”). The SIC will normally grant such permission if a competing offer has been announced.

APPENDIX 1

DETAILS OF THE OFFER

2. SETTLEMENT FOR THE OFFER

Subject to the Offer becoming or being declared unconditional in all respects and the receipt by the Offeror from accepting Shareholders of valid acceptances and all relevant documents required by the Offeror which are complete and valid in all respects and in accordance with the requirements set out in this Offer Document and the FAA and/or FAT (as the case may be), and in the case of Depositors, the receipt by the Offeror of confirmations satisfactory to it that the number of Offer Shares tendered by the accepting Shareholders in acceptance of the Offer are standing to the credit of the “Free Balance” of their respective Securities Accounts at the relevant time, remittances for the appropriate amounts will be despatched, pursuant to Rule 30 of the Code, to accepting Shareholders (or, in the case of Shareholders holding share certificate(s) which are not deposited with CDP, their designated agents, as they may direct) by means of:

- (a) *in the case of Depositors who have registered for CDP’s Direct Crediting Service (“DCS”), crediting the Offer Consideration payable to such Depositor in respect of their Offer Shares validly tendered in acceptance of the Offer into their designated bank account for Singapore Dollars on the payment date;*
- (b) *in the case of Depositors who have not registered for CDP’s DCS, crediting any monies to be paid into such Depositors’ Cash Ledger and subject to the same terms and conditions as Cash Distributions under the CDP Operation of Securities Account with the Depository Terms and Conditions (Cash Ledger and Cash Distributions are as defined therein); or*

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- (c) (in the case of scrip holders), a Singapore Dollar crossed cheque drawn on a bank in Singapore and sent by ordinary post to the address stated in the respective FATs or, if none is set out, to the respective addresses maintained in the Register.

Payments shall be made at the risk of the accepting Shareholders. The despatch of payment to each accepting Shareholder's address and/or CDP (as the case may be) in accordance with the above shall discharge the Offeror from any liability in respect of those payments. Payment of the Offer Consideration shall be paid as soon as practicable and in any case:

- (a) in respect of acceptances of the Offer which are complete and valid in all respects and are received **on or before** the date on which the Offer becomes or is declared to be unconditional in all respects, within seven (7) Business Days of that date; or
- (b) in respect of acceptances which are complete and valid in all respects and are received **after** the Offer becomes or is declared to be unconditional in all respects, but before the Offer closes, within seven (7) Business Days of the date of such receipt.

3. ANNOUNCEMENTS

3.1 **Timing and Contents.** Pursuant to Rule 28.1 of the Code, by 8.00 a.m. (Singapore time) on the dealing day (the "**Relevant Day**") immediately after the day on which the Offer is due to expire, or becomes or is declared to be unconditional as to acceptances or is revised or extended (if applicable), the Offeror will announce and simultaneously inform the SGX-ST of the total number of Shares (as nearly as practicable):

- (a) for which valid acceptances of the Offer have been received;
- (b) held by the Offeror and any of its Concert Parties before the Offer Period; and
- (c) acquired or agreed to be acquired by the Offeror and any of its Concert Parties during the Offer Period,

and will specify the percentages of the total number of Shares represented by such numbers.

3.2 **Suspension.** Under Rule 28.2 of the Code, if the Offeror is unable, within the time limit, to comply with any of the requirements of Paragraph 3.1 (Timing and Contents) of this Appendix 1, the SIC will consider requesting the SGX-ST to suspend dealings in the Shares until the relevant information is given.

3.3 **Valid Acceptances.** Subject to Section 18.4 (Valid Acceptances) of the Letter to Shareholders of this Offer Document, in computing the number of Offer Shares represented by acceptances received by the Offeror, the Offeror will, at the time of making an announcement, take into account acceptances which are valid in all respects.

Acceptances of the Offer will only be treated as valid for the purposes of the acceptance condition if the relevant requirements of Note 2 on Rule 28.1 of the Code are met.

3.4 **Announcements.** In this Offer Document, references to the making of any announcement or the giving of notice by the Offeror include the release of an announcement by UOB, for and on behalf of the Offeror, to the press or the delivery

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of or transmission by telephone, facsimile, SGXNET or otherwise of an announcement to the SGX-ST. An announcement made otherwise than to the SGX-ST shall be notified simultaneously to the SGX-ST.

4. RIGHT OF WITHDRAWAL IN RELATION TO THE OFFER

4.1 Acceptances Irrevocable. Except as expressly provided in this Offer Document and the Code, acceptances of the Offer shall be irrevocable.

4.2 Right of Withdrawal of Shareholders. A Shareholder who has accepted the Offer may:

(a) withdraw his acceptance immediately if the Offer has become or been declared to be unconditional but the Offeror fails to comply with any of the requirements set out in Paragraph 3.1 (Timing and Contents) of this Appendix 1 by 3.30 p.m. (Singapore time) on the Relevant Day. Subject to Rule 22.9 of the Code in relation to the Final Day Rule, the Offeror may terminate this right of withdrawal not less than eight (8) days after the Relevant Day by confirming (if that be the case) that the Offer is still unconditional as to acceptances and by complying with Rule 28.1 of the Code and the requirements set out in Paragraph 3.1 (Timing and Contents) of this Appendix 1. For the purposes of Paragraph 1.4 (Offer to Remain Open for 14 Days After Being Declared Unconditional as to Acceptances) of this Appendix 1, the period of 14 days first referred to therein shall run from the date of such confirmation (if given) or the date on which the Offer would otherwise have expired, whichever is later;

(b) withdraw his acceptance after 14 days from the first Closing Date, if the Offer has not by then become or been declared unconditional as to acceptances. Such entitlement to withdraw may be exercisable until such time as the Offer becomes or is declared unconditional; and

(c) withdraw his acceptance immediately if a competing offer becomes or is declared unconditional as to acceptances. This right of withdrawal also applies in the converse situation i.e. if the Offer becomes or is declared unconditional, a Shareholder who has accepted a competing offer may likewise withdraw his acceptance for such competing offer immediately.

4.3 Method of Withdrawal. To withdraw his acceptance, a Shareholder who has accepted the Offer must give written notice to:

(a) Hanwha Ocean SG Holdings Pte. Ltd. c/o The Central Depository (Pte) Limited, Robinson Road Post Office P.O. Box 1984 Singapore 903934 or via CDP email services (asksgx@sgx.com), for Shareholders who have accepted the Offer in respect of Offer Shares which are deposited with the CDP; or

(b) Hanwha Ocean SG Holdings Pte. Ltd. c/o Boardroom Corporate & Advisory Services Pte. Ltd., 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632, for Shareholders who have accepted the Offer in respect of Offer Shares which are not deposited with the CDP.

A notice of withdrawal shall be effective only if signed by the accepting Shareholder or his agent duly appointed in writing and evidence of whose appointment is produced in a form satisfactory to the Offeror within the said notice and when actually received by the Offeror.

Pursuant to the Revision of Offer Price Announcement read with Paragraph 1.3 of Appendix 1 to the Offer Document, the Offeror is not obliged to extend the Offer if the conditions of the Offer, as set out in Section 2.6(a) (Minimum Acceptance Condition) and Section 2.6(b) (Merger Control

LETTER TO SHAREHOLDERS

Condition) of the Letter to Shareholders of the Offer Document and as reproduced in Section 2.1 (Offer Shares and Final Offer Price) of the Letter to Shareholders in this Circular, are not fulfilled by the Closing Date.

2.10 Procedures for Acceptance

The procedures for acceptance are set out in Section 6 and Appendix 2 to the Offer Document and in the accompanying FAA and/or FAT (as applicable).

3 INFORMATION ON THE OFFEROR

Section 8 of the Offer Document sets out certain information on the Offeror and the Offeror Shareholders, the full text of which has been extracted from the Offer Document and set out below. Additional information on the Offeror and its ultimate holding company Hanwha Aerospace are extracted from Appendices 3 and 4 to the Offer Document and are set out in Appendix III to this Circular. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

8. INFORMATION ON THE OFFEROR, HANWHA AEROSPACE AND HANWHA OCEAN

8.1 Information on the Offeror.

- (a) *The Offeror is an investment holding company incorporated in Singapore on 21 June 2024 for the purpose of making the Offer. Hanwha Aerospace and Hanwha Ocean have agreed, pursuant to the Offeror Shareholders' Agreement, to undertake the Offer through the Offeror. The Offeror Shareholders' Agreement sets out the proposed terms of the shareholders and governance arrangements between Hanwha Aerospace and Hanwha Ocean in respect of the Offeror, in relation to the Offer and following completion of the Offer, including reserved matters requiring the prior written approval of Hanwha Aerospace and Hanwha Ocean.*
- (b) *As at the Latest Practicable Date,*
- (i) *the Offeror has an issued and paid-up share capital of S\$900 comprising 900 ordinary shares;*
 - (ii) *Hanwha Aerospace holds 810 ordinary shares in the Offeror, representing 90% of the total number of ordinary shares of the Offeror; and*
 - (iii) *Hanwha Ocean holds 90 ordinary shares in the Offeror, representing 10% of the total number of ordinary shares of the Offeror.*

*Each of Hanwha Aerospace and Hanwha Ocean will fund the total consideration for the Offer (other than the HA Shares and the HO Shares) by way of shareholders' loans (the "**Shareholders' Cash Loans**") to be provided by them in the shareholding proportion of the Offeror as at the Offer Announcement Date. Hanwha Aerospace and Hanwha Ocean will also be making additional shareholder's loans (collectively with the Shareholders' Cash Loans, the "**Shareholders' Loans**") under the Swap Arrangements. Such additional shareholder's loans will be made by them in the proportion of the HA Shares and HO Shares tendered in acceptance of the Swap Arrangements. Each Shareholders' Loan shall be repayable in full by the maturity date, being such date falling nine (9) months from the date the respective Shareholders' Cash Loan is disbursed.*

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(c) **Post Closing Adjustments.** Pursuant to the terms of the Offeror Shareholders' Agreement and the Shareholders' Loans, the shareholding percentages of Hanwha Aerospace and Hanwha Ocean in the Offeror will be adjusted after the close of the Offer depending on the level of acceptances for the Offer, based on the proportion of the total Shareholders' Loans extended by each of them that have been utilised (excluding transaction expenses and accrued interest on the Shareholders' Loans), by way of a capitalisation of their respective Shareholders' Loans into shares in the Offeror³. Accordingly, by way of illustration:

(i) where:

(A) the maximum number of Shares have been issued pursuant to the exercise of all outstanding Warrants as at the Latest Practicable Date and the valid vesting and release of the awards granted under the Dyna-Mac Share Award Scheme 2021 prior to the close of the Offer; and

(B) all Shareholders have tendered their Offer Shares into the Offer,

Hanwha Aerospace's shareholding interest in the Offeror after the close of the Offer will be adjusted to 73.1% and Hanwha Ocean's shareholding interest in the Offeror after the close of the Offer will be adjusted to 26.9%; and

(ii) where:

(A) none of the outstanding Warrants as at the Latest Practicable Date are exercised into Shares and there is no valid vesting and release of any awards granted under the Dyna-Mac Share Award Scheme 2021 prior to the close of the Offer;

(B) the minimum level of acceptances has been met to satisfy the Minimum Acceptance Condition,

Hanwha Aerospace's shareholding interest in the Offeror after the close of the Offer will be adjusted to 53.4% and Hanwha Ocean's shareholding interest in the Offeror after the close of the Offer will be adjusted to 46.6%.

(d) The Offeror has not carried on any business since its incorporation, except in relation to matters in connection with the making of the Offer.

(e) As at the Latest Practicable Date, the Directors are:

(i) Mr. Shin, Yong In;

(ii) Mr. Choi, Jin Hyun; and

(iii) Mr. Suh, Wee Hyuk.

8.2 **Information on Hanwha Aerospace.** Hanwha Aerospace is a public company incorporated in South Korea and listed on the Korean Stock Exchange. Hanwha Aerospace engages in the defence, aerospace and space business, with expertise in

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navigation systems, space launch vehicles, satellite services, gas turbine engines and components, and marine lithium-ion battery systems for ships.

As at the Latest Practicable Date, Hanwha Aerospace has a paid-up registered capital of KRW265,650,000,000 (equivalent to approximately S\$257,784,980⁴). Hanwha Corporation owns approximately 33.95% of the shares of Hanwha Aerospace.

As at the Latest Practicable Date, Hanwha Aerospace's board of directors comprises:

- | | |
|-------------------------------|----------------------------|
| <i>(a) Mr. Kim, Dongkwan</i> | <i>(Internal Director)</i> |
| <i>(b) Mr. Son, Jae Il</i> | <i>(Internal Director)</i> |
| <i>(c) Mr. An, Byungchul</i> | <i>(Internal Director)</i> |
| <i>(d) Ms. Kim, Hyoun Jin</i> | <i>(Outside Director)</i> |
| <i>(e) Mr. Jun, Jingoo</i> | <i>(Outside Director)</i> |
| <i>(f) Mr. Chon, Huy jae</i> | <i>(Outside Director)</i> |
| <i>(g) Mr. Jung, Do-jin</i> | <i>(Outside Director)</i> |

- 8.3 Information on Hanwha Ocean.** *Hanwha Ocean is a public company incorporated in South Korea and listed on the Korean Stock Exchange. It carries on the business of shipbuilding. Since 1973, Hanwha Ocean has continuously pioneered new businesses and now produces a vast range of vessels, including commercial ships, drillships, floating oil production facilities, and specialty ships, such as submarines and destroyers.*

As at the Latest Practicable Date, Hanwha Ocean has a paid-up registered capital of KRW1,536,794,495,000 (equivalent to approximately S\$1,491,295,082⁴). Hanwha Aerospace holds approximately 23.14% of the shares of Hanwha Ocean. Hanwha Corporation (which is listed on the Korean Stock Exchange) and Hanwha Energy Corporation, together with their related corporations and affiliates (including Hanwha Aerospace), own an aggregate of approximately 46.29% of the shares in the capital of Hanwha Ocean.

As at the Latest Practicable Date, Hanwha Ocean's board of directors comprises:

- | | |
|---------------------------------|--|
| <i>(a) Mr. Kwon, Hyek Woong</i> | <i>(Internal Director)</i> |
| <i>(b) Mr. Kim, Jong Seo</i> | <i>(Internal Director)</i> |
| <i>(c) Mr Ryoo, Duhyoung</i> | <i>(Internal Director)</i> |
| <i>(d) Mr. Kim, Dongkwan</i> | <i>(Non-Executive Internal Director)</i> |
| <i>(e) Mr. Rhee, Shin Hyung</i> | <i>(Outside Director)</i> |
| <i>(f) Mr. Kim, Bong Hwan</i> | <i>(Outside Director)</i> |
| <i>(g) Mr. George P. Bush</i> | <i>(Outside Director)</i> |
| <i>(h) Ms. Hyun, Nak Hee</i> | <i>(Outside Director)</i> |
| <i>(i) Mr. Kim, Jaeik</i> | <i>(Outside Director)</i> |

- 8.4 Additional Information.** *Additional information on the Offeror and its ultimate holding company Hanwha Aerospace are set out in Appendix 3 and Appendix 4 to this Offer*

LETTER TO SHAREHOLDERS

Document respectively.

3 *The shareholdings of Hanwha Aerospace and Hanwha Ocean in the Offeror may be further adjusted pursuant to capital injection by Hanwha Aerospace and Hanwha Ocean to fund transaction costs and expenses and/or capitalisation of accrued interest on the Shareholders' Loans into shares in the Offeror.*

4 *Based on the exchange rate of S\$1.00: KRW1,030.51.*

4 IRREVOCABLE UNDERTAKING

Section 7 of the Offer Document sets out information in relation to the irrevocable undertakings, the full text of which has been extracted from the Offer Document and set out below. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

7. IRREVOCABLE UNDERTAKINGS

7.1 **Hanwha Aerospace and Hanwha Ocean Undertakings.** *As at the Latest Practicable Date, the Offeror has received irrevocable undertakings from Hanwha Aerospace (the "HA Undertaking") and Hanwha Ocean (the "HO Undertaking"), pursuant to which:*

(a) *Hanwha Aerospace has undertaken to tender the HA Shares in acceptance of the Offer and to waive its rights under Rule 30 of the Code to receive the cash consideration payable to it by the Offeror under the terms of the Offer (the "HA Consideration"), with the amount of the HA Consideration remaining as a shareholder's loan owing by the Offeror to Hanwha Aerospace (the "HA Swap Arrangement"); and*

(b) *Hanwha Ocean has undertaken to tender the HO Shares in acceptance of the Offer and to waive its rights under Rule 30 of the Code to receive the cash consideration payable to it by the Offeror under the terms of the Offer (the "HO Consideration"), with the amount of the HO Consideration remaining as a shareholder's loan owing by the Offeror to Hanwha Ocean (the "HO Swap Arrangement" and together with the HA Swap Arrangement, the "Swap Arrangements").*

7.2 **Termination of HA Undertaking and HO Undertaking.** *Each of the HA Undertaking and the HO Undertaking will terminate and cease to have any further force or effect if the Offer lapses or is withdrawn or fails to become or be declared unconditional in accordance with its terms for any reason other than a breach by Hanwha Aerospace or Hanwha Ocean (as the case may be) of its obligations under the HA Undertaking or the HO Undertaking (as the case may be).*

7.3 **No Other Undertakings.** *Save for the HA Undertaking and the HO Undertaking, as at the Latest Practicable Date, neither the Offeror nor any of its Concert Parties has received any undertaking from any other party to accept or reject the Offer.*

7.4 **SIC Confirmation.** *The SIC has confirmed that arrangements made between Hanwha Aerospace, Hanwha Ocean and the Offeror, including the Swap Arrangements and the Offeror Shareholders' Agreement (further details of which are set out under Section 8.1 below), will not constitute special deals for the purposes of Rule 10 of the Code.*

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5 RATIONALE FOR THE OFFER

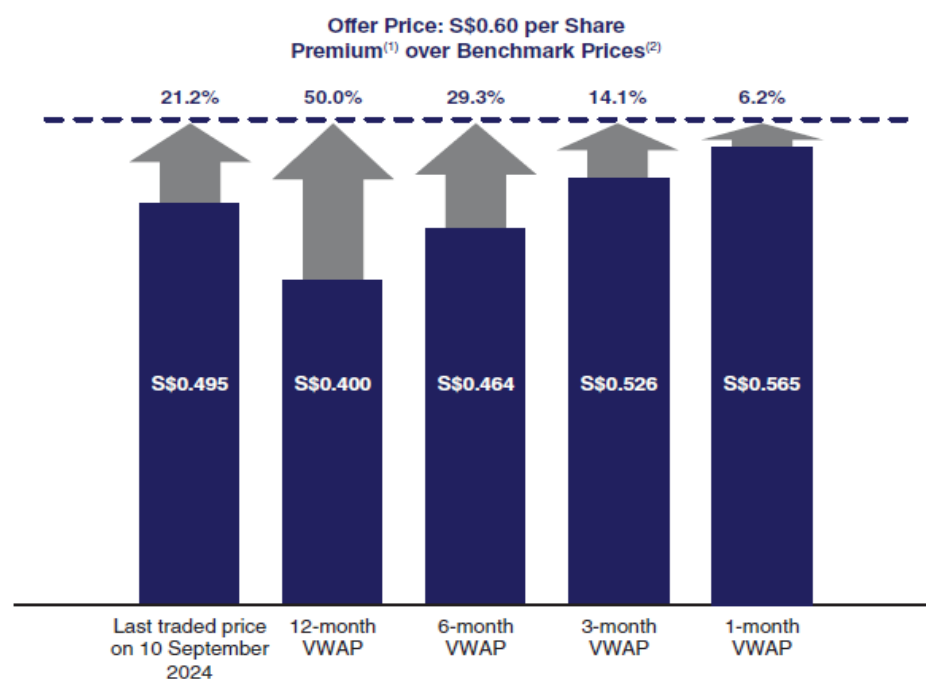
Section 10 of the Offer Document sets out information on the highlights and rationale for the Offer, the full text of which has been extracted from the Offer Document and set out below. Shareholders are advised to read the extract below carefully, and in conjunction with, and in the context of, the Revision of Offer Price Announcement. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

10. HIGHLIGHTS AND RATIONALE FOR THE OFFER

10.1 Highlights of the Offer

- (a) **Unique opportunity to immediately realise investment at a premium over historical market prices without incurring brokerage and other trading costs**

The Offer presents Shareholders with a unique opportunity to immediately realise their investment at a premium over the VWAP of the Shares for the periods shown below and the last transacted price per Share on the Last Trading Day, without incurring brokerage and other trading costs that would typically erode returns.



Notes:

- (1) Percentage figures have been rounded to the nearest one (1) decimal place.
- (2) The historical market prices of the Shares (rounded to the nearest three (3) decimal places) are based on data extracted from Bloomberg L.P..

The Offeror would also like to note that as at 30 June 2024, the Company's NAV is 9.79 cents, and the Offer Price represents a premium of 512.9% over the Company's NAV as at 30 June 2024.

The Offer Price also represents more than 13x the diluted earnings per share (price-to-earnings ratio) for the 12 months ended 30 June 2024⁵.

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(b) **Offer provides a viable exit alternative for investors who want to avoid volatility and unpredictability due to the offshore plant industry's cyclical nature**

Due to the offshore plant industry's cyclical nature, companies in the offshore marine services and engineering sector, including the Company, are prone to notable performance volatility and uncertainty. This can lead to long periods of uncertain outlook for many operators in this space, including the Company, as elaborated upon below.

Looking at the lowest closing price of the Shares in the 12 months, and last three (3) years prior to and including the Last Trading Day, the Offer Price provides investors with a 155.3% and 581.8% premium, respectively. The Offer provides a viable exit alternative for investors who may want to avoid entirely or reduce future exposure to such volatility and unpredictability.

(c) **Only offer available for acceptance by Shareholders**

*As at the Latest Practicable Date, apart from the Offer, no third party has announced an offer for the Company and the Company has not announced any approach by, or receipt of any proposal from, any third party with an intention to make an offer for the Company. Accordingly, as at the Latest Practicable Date, the Offer presents the **only offer available for acceptance** by Shareholders to realise their investment in the Company.*

Furthermore, the Offeror, through its concert parties Hanwha Aerospace and Hanwha Ocean, holds a 24.31% equity stake in the Company as at the Latest Practicable Date, and has received irrevocable undertakings from Hanwha Aerospace and Hanwha Ocean to accept the Offer. Any third party considering making a competing offer for the Company would have to accumulate acceptances of more than 50% of the Shares excluding this 24.31% stake in order to succeed in its offer.

IRREVOCABLE UNDERTAKINGS

*As at the Latest Practicable Date, the Offeror has received irrevocable undertakings from Hanwha Aerospace and Hanwha Ocean to **accept** the Offer in respect of an aggregate of 282,859,400 Shares, representing 24.31% interest in the Company.*

10.2 **Rationale for the Offer**

(a) **Navigating the global energy transition**

The market is expected to focus increasingly on global energy transition, which requires more development and investment in offshore upstream activities, as well as upgrading related infrastructure to meet green sustainability objectives.

The absence of economies of scale and technology to do so could make navigating the global energy transition more challenging for the Company.

Hanwha Ocean is committed to utilising advanced technology to provide solutions that will drive change. In the event that the Offer is successful, the Offeror intends to work with the Company to extend the reach of digital transformation into yards,

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bringing to life smart yards, while delivering low and zero-carbon solutions that can power the energy transition.

(b) *Low barriers to entry in the upstream market for the fabrication of offshore topside modules*

Given there are no factors such as technology, research and development requirements, regulatory barriers, import restrictions and intellectual property rights that would constitute an effective and defensible barrier to entry, the Company will continue to face significant pressure from potential and existing competitors. At the Company's current scale, it could be increasingly hard to defend its competitive position.

The Offeror's acquisition may allow the Company to:

- (i) become more resilient to intensified competition from players with superior scale by:
 - (A) leveraging combined resources including project management capabilities, engineering competencies, know-hows, and best practices;*
 - (B) optimising operational efficiencies;*
 - (C) capitalising on greater capacity to invest in research and development (R&D), driving technological advancements and delivering long-term benefits to future innovation; and**
- (ii) benefit from 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.*

Without the above, the Company could face difficulties in maintaining its market position in an increasingly challenging competitive environment.

(c) *Considering macro-economic uncertainties*

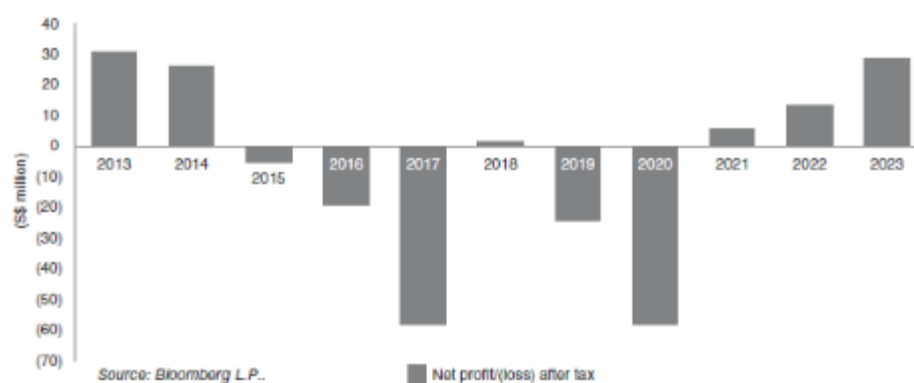
The Offer is based on a rigorous review of factors affecting the Company's business outlook, including macro-economic uncertainties, volatility in oil prices and geopolitical risks.

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As can be seen below, the Offeror notes the highly cyclical and uncertain nature of the offshore plant industry. Over the past 10 years, the Company's share price has shown similar movements compared with crude oil prices during the same period.



Due to volatility risks present in the economy and the industry, companies in the sector including the Company have faced significant financial challenges in certain periods over the past 10 years. In the past 10 years, although there have been periods where the Company has recorded net profits after tax, the Company recorded net losses after tax for FY2015, FY2016, FY2017, FY2019 and FY2020, as shown in the chart below.



The Offeror believes in the need for a patient and sustainable approach to the Company's growth by targeting market opportunities in energy transition more broadly and moving away from pure oil and gas.

With its wide-ranging business portfolio, the Offeror takes a long-term strategic view of its investment in the Company. In the event that the Offeror obtains majority control through the Offer, it is committed to work with the Company to navigate any potential volatility risks that may affect the sector or the Company.

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(d) **Ownership under Hanwha**

The Offeror's acquisition will enable the Company to advance new technologies and investments in the Singapore energy market while preserving its status as a Singaporean home-grown enterprise.

Hanwha Ocean is in the process of implementing a multi-yard strategy with presence in strategic locations, including Singapore, Korea, US, and China.

Hanwha Ocean is a leading global builder that produces a wide range of specialised vessels critical to the offshore marine sector. It also develops green solutions, such as energy-saving devices and propulsion technologies that leverage environmentally friendly fuels and advanced technologies to provide customers with valuable marine and energy infrastructure solutions.

Through the Offer, Hanwha Ocean and the Offeror are committed to empowering the Company to be better-positioned locally, to foster innovation and progress in the offshore plant industry. Hanwha is committed to becoming an integral part of the local ecosystem.

The Offeror values the identity of the Company as a successful Singapore home-grown enterprise with multinational clients and partners. The Offeror recognises the contribution of its employees in building up the business and has no current intention to discontinue the employment of the existing employees of the Group, other than in the ordinary course of business.

The Offeror is of the view that the Company now requires global scale to continue its growth in the current industry landscape.

⁵ Based on the Company's reported net profit attributable to equity holders and the fully diluted capital of the company assuming the exercise of all outstanding warrants and share awards

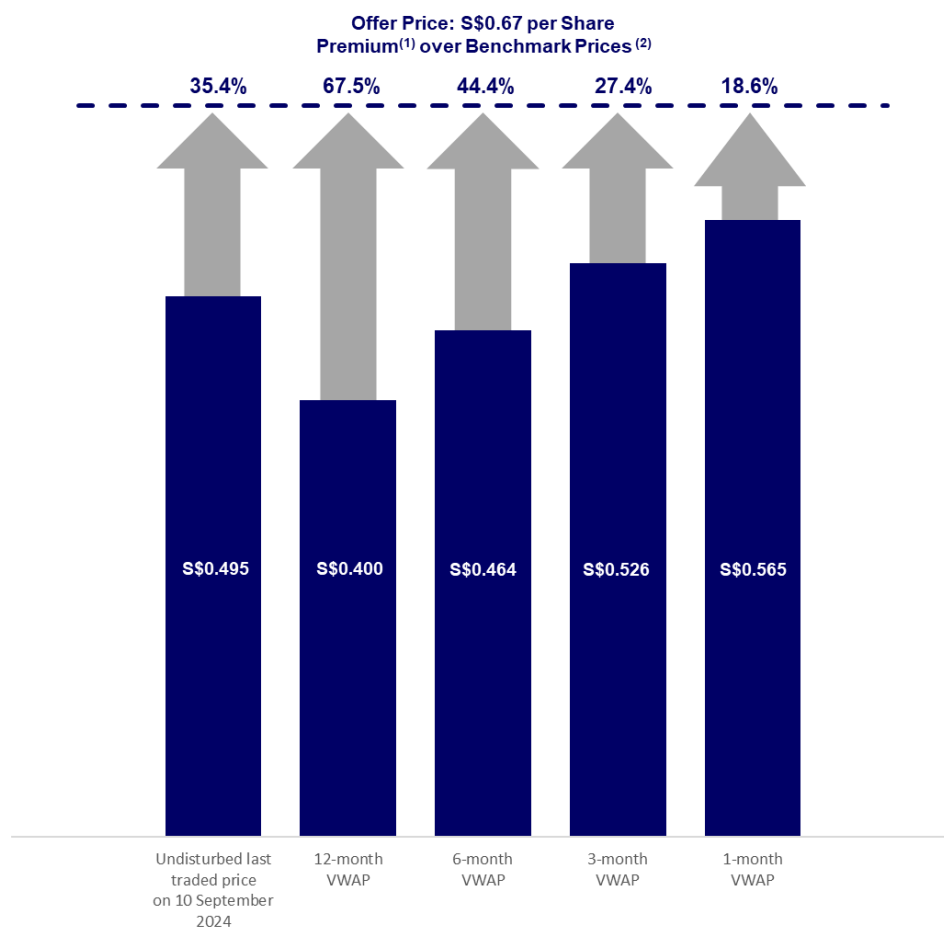
Paragraphs 3 and 4 of the Revision of Offer Price Announcement sets out information on the highlights of and rationale for the Final Offer Price, the full text of which has been extracted from the Revision of Offer Price Announcement and set out below. Shareholders are advised to read the extract below carefully. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Revision of Offer Price Announcement.

3. HIGHLIGHTS OF THE FINAL OFFER PRICE

The Final Offer Price of S\$0.67 represents an increase of S\$0.07 or approximately 11.67% over the Offer Price of S\$0.60 for each Offer Share.

*The Offeror is of the view that this improved offer further reinforces an already unique exit opportunity for Shareholders to immediately realise their investment at a premium over the volume-weighted average price ("VWAP") of the Shares for the periods shown below and the last transacted price per Share on 10 September 2024, being the last full day of trading of the Shares prior to the Offer Announcement Date (the "**Last Trading Day**"), without incurring brokerage and other trading costs that would typically erode returns.*

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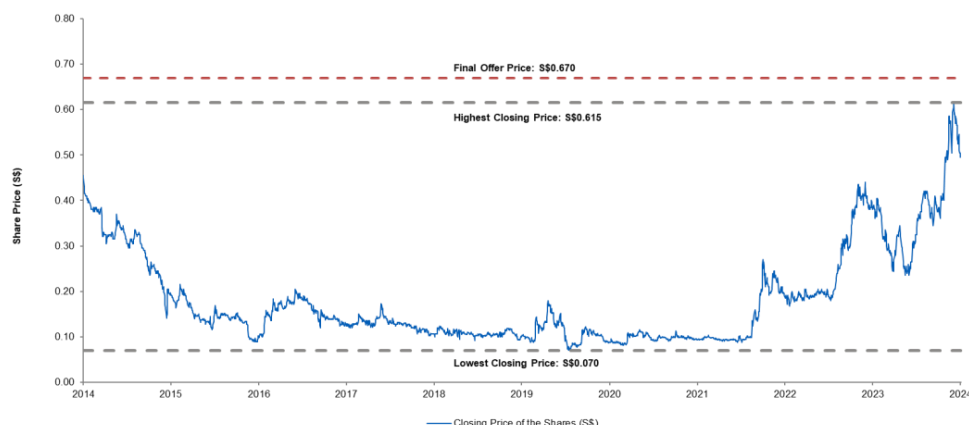
Notes:

(1) Percentage figures have been rounded to the nearest one (1) decimal place.

(2) The historical market prices of the Shares (rounded to the nearest three (3) decimal places) are based on data extracted from Bloomberg LP.

The Final Offer Price now also exceeds all previous closing prices of the Shares for the past 10 years prior to and including the Last Trading Day, as shown below.

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Furthermore, the Offeror would also like to note that the Final Offer Price now represents a premium of 584.4% over the Company's net asset value ("**NAV**") of 9.79 cents as at 30 June 2024 and more than 14x the diluted earnings per share (price-to-earnings ratio) for the 12 months ended 30 June 2024¹

The Final Offer remains the one and only offer available for acceptance by Shareholders to immediately realise their investment in the Company at such notable premiums. No alternative proposal for the Company has been announced.

In the event the Offer is not successful, there is no assurance that the share price will remain at current prevailing levels or that shareholders will be able to monetise their Shares at the Final Offer Price.

4. RATIONALE FOR THE FINAL OFFER PRICE

The Final Offer comes at a critical time for the Company, which as detailed in the Offer Document operates in an offshore industry facing growing challenges in navigating the global energy transition, rising international competition, and energy price volatility that will continue to necessitate significant strategic investment in economies of scale, technological innovation, and operational capabilities in line with best practices to stay relevant.

Against this uncertain and highly cyclical macro-economic backdrop, the Offeror, as a financially disciplined and prudent long-term investor, has considered the value and growth prospects of the Company, taking into account the Company's financial performance, net cash position and order book, as well as the potential benefits of the Group's recent Exterran Offshore acquisition.

Considering these factors, the Offeror is of the view that the Final Offer Price is reflective of the acquisition's intrinsic value to the Offeror and may consider other strategic options available to it should the Offer not succeed at this juncture.

With the Offeror's expanded ownership and support, it is envisioned that the Company will have a greater opportunity to grow both within the Singapore energy market and beyond, while maintaining its home-grown identity.

The Offeror is committed to leveraging its unique global scale to foster local market innovation and enhance the Company's reach as a global multi-disciplinary contractor.

¹ Based on the Company's reported net profit attributable to equity holders and the fully diluted capital of the Company assuming the exercise of all outstanding warrants and share awards.

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6 OFFEROR'S INTENTIONS IN RELATION TO THE COMPANY

Section 11 of the Offer Document sets out information on the Offeror's intentions in relation to the Company, the full text of which has been extracted from the Offer Document and set out below. Shareholders are advised to read the extract below carefully and note the Offeror's future plans for the Company. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

11. THE OFFEROR'S INTENTIONS RELATING TO THE COMPANY

The Offeror intends to undertake a review of the business of the Group following the close of the Offer, with a view to identifying areas in which the strategic direction and operations of the Group can be enhanced, having regard to the Offeror's rationale for the Offer as stated in Section 10. It is the intention of the Offeror to ensure continuity of the Group's operations and to lead the Group to further growth and development. The Offeror retains the flexibility at any time to consider any options or opportunities in relation to the Group which may present themselves and which it may regard to be in the interests of the Company.

Save as disclosed above, the Offeror presently has no intention to (a) introduce any major changes to the existing businesses of the Group, (b) re-deploy the fixed assets of the Group, or (c) discontinue the employment of existing employees of the Group, in each case, other than in the ordinary course of business.

7 LISTING STATUS AND COMPULSORY ACQUISITION

Section 12 of the Offer Document set out the intentions of the Offeror relating to the listing status of the Company and its rights of compulsory acquisition in respect of the Company, the full text of which has been extracted from the Offer Document and set out below. Shareholders are advised to read the extract below carefully. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

12. LISTING STATUS AND COMPULSORY ACQUISITION

12.1 Listing Status. *Pursuant to Rule 1105 of the Listing Manual, upon an announcement by the Offeror that acceptances have been received pursuant to the Offer that bring the holdings owned by the Offeror and its concert parties to above 90% of the total number of issued Shares (excluding Shares held in treasury), the SGX-ST may suspend the trading of the Shares on the SGX-ST until such time it is satisfied that at least 10% of the total number of issued Shares (excluding Shares held in treasury) are held by at least 500 Shareholders who are members of the public. Rule 1303(1) of the Listing Manual provides that if the Offeror succeeds in garnering acceptances exceeding 90% of the total number of issued Shares (excluding Shares held in treasury), thus causing the percentage of the total number of issued Shares (excluding Shares held in treasury) held in public hands to fall below 10%, the SGX-ST will suspend trading of the Shares only at the close of the Offer.*

*Rule 723 of the Listing Manual requires the Company to ensure that at least 10% of the total number of issued Shares is at all times held by the public ("**Free Float Requirement**"). In addition, under Rule 724(1) of the Listing Manual, if the Company fails to satisfy the Free Float Requirement, the Company must, as soon as practicable, announce that fact and the SGX-ST may suspend the trading of all the Shares. Rule 724(2)*

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of the Listing Manual states that the SGX-ST may allow the Company a period of three (3) months, or such longer period as the SGX-ST may agree, to raise the percentage of Shares (excluding Shares held in treasury) in public hands to at least 10%, failing which the Company may be delisted from the SGX-ST.

The Offeror does not have any present intention to actively pursue the delisting of the Company from the Mainboard of the SGX-ST. However, in the event that the Free Float Requirement is not satisfied at the close of the Offer, and the trading of Shares on the SGX-ST is suspended pursuant to Rule 724, Rule 1105 or Rule 1303(1) of the Listing Manual, the Offeror has no intention to undertake or support any action for any such trading suspension by the SGX-ST to be lifted. The Offeror reserves the right and discretion, if such event arises, to assess the options available at such time and there is no assurance that the current intention will be carried into effect.

12.2 Compulsory Acquisition. Pursuant to Section 215(1) of the Companies Act, if the Offeror receives valid acceptances pursuant to the Offer (or otherwise acquires Shares during the period when the Offer is open for acceptance) in respect of not less than 90% of the total number of issued Shares (other than those already held by the Offeror, its related corporations or their respective nominees and any person or body corporate falling within the meaning of Section 215(9A)⁶ of the Companies Act as at the date of the Offer), the Offeror would be entitled to exercise the right to compulsorily acquire all the Shares of Dissenting Shareholders, at the Offer Price.

In such event, the Offeror intends to exercise its right to compulsorily acquire all the Offer Shares not acquired under the Offer. The Offeror will then proceed to delist the Company from SGX-ST. The Offeror reserves the right and discretion, if such event arises, to assess the options available and there is no assurance that the current intention will be carried into effect.

Dissenting Shareholders have the right under and subject to Section 215(3) of the Companies Act, to require the Offeror to acquire their Shares at the Offer Price in the event that the Offeror, its related corporations or their respective nominees acquire, pursuant to the Offer, such number of Shares which, together with the Shares held by the Offeror, its related corporations or their respective nominees, comprise 90% or more of the total number of issued Shares. Dissenting Shareholders who wish to exercise such right are advised to seek their own independent legal advice.

⁶ For the purpose of Section 12.2 (Compulsory Acquisition) above, any person or body corporate falling within the meaning of Section 215(9A) of the Companies Act refers to, *inter alia*:

- (a) a person who is accustomed or is under an obligation whether formal or informal to act in accordance with the directions, instructions or wishes of the Offeror in respect of the Company;
- (b) a person whose directions, instructions or wishes the Offeror is accustomed or is under an obligation whether formal or informal to act in accordance with, in respect of the Company; or
- (c) a body corporate that is controlled by the Offeror or a person mentioned in paragraph (a) or (b) above.

8 DISCLOSURES OF INTERESTS

Section 14 of the Offer Document, together with Appendix 6 to the Offer Document and Paragraph 1 of Appendix 7 to the Offer Document set out certain information relating to disclosure of interests, the full text of which have been extracted from the Offer Document and set out below. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

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14. DISCLOSURE OF SHAREHOLDINGS AND DEALINGS

14.1 Shareholdings and Dealings in Company Securities. Appendix 6 to this Offer Document sets out, based on latest information available to the Offeror as at the Latest Practicable Date and responses received pursuant to enquiries that the Offeror has made:

- (a) the number of Company Securities owned, controlled or agreed to be acquired by the Offeror and its Concert Parties as at the Latest Practicable Date; and
- (b) the dealings in the Company Securities by the Offeror and its Concert Parties during the Reference Period.

14.2 No Other Holdings and Dealings in Company Securities. Save as disclosed in this Offer Document, and based on responses received pursuant to enquiries that the Offeror has made, as at the Latest Practicable Date, none of the Offeror and its Concert Parties:

- (a) owns, controls or has agreed to acquire any Company Securities; or
- (b) has dealt for value in any Company Securities during the Reference Period.

As at the Latest Practicable Date, save as disclosed in this Offer Document, none of the Directors are interested (as interpreted in accordance with Section 164 of the Companies Act), directly or indirectly, in any Company Securities.

14.3 Other Arrangements in the Company Securities. Save as disclosed in this Offer Document (including in relation to the Offeror Shareholders' Agreement, the Shareholders' Loans and the Undertakings), and based on responses received pursuant to enquiries that the Offeror has made, as at the Latest Practicable Date, none of the Offeror and its Concert Parties has:

- (a) entered into any arrangement (whether by way of option, indemnity or otherwise) in relation to any Company Securities or the securities of the Offeror which might be material to the Offer;
- (b) received any irrevocable commitment to accept the Offer;
- (c) granted any security interest relating to any Company Securities to another person, whether through a charge, pledge or otherwise;
- (d) borrowed any Company Securities from another person (excluding borrowed Company Securities which have been on-lent or sold); or
- (e) lent any Company Securities to another person.

APPENDIX 6

DISCLOSURE OF HOLDINGS AND DEALINGS

1. INTERESTS IN SHARES

LETTER TO SHAREHOLDERS

Based on responses to enquiries that the Offeror has made, the interests in the Shares held by the Offeror and its Concert Parties are set out below:

Name	Direct Interest		Indirect Interest		Total	
	No. of Shares	% ⁽¹⁾⁽²⁾	No. of Shares	% ⁽¹⁾⁽²⁾	No. of Shares	% ⁽¹⁾⁽²⁾
Hanwha Ocean	241,429,700	20.75	–	–	241,429,700	20.75
Hanwha Aerospace ⁽³⁾	41,429,700	3.56	241,429,700	20.75	282,859,400	24.31

Notes:

- (1) All references to percentage shareholding of the issued Shares in Paragraph 1 are based on a total of 1,163,583,747 Shares in issue (based on a search conducted with ACRA as at the Latest Practicable Date).
- (2) Percentage figures have been rounded to the nearest two (2) decimal places.
- (3) As Hanwha Aerospace has an approximately 23.14% interest in Hanwha Ocean, Hanwha Aerospace is deemed interested in the Shares held by Hanwha Ocean by virtue of Section 4 of the Securities and Futures Act 2001 of Singapore.

2. DEALINGS IN COMPANY SECURITIES DURING THE REFERENCE PERIOD

Based on responses to enquiries that the Offeror has made, none of the Offeror and its Concert Parties has dealt for value in the Company Securities during the Reference Period.

APPENDIX 7

ADDITIONAL GENERAL INFORMATION

1. DISCLOSURE OF INTERESTS

- 1.1 **No Indemnity Arrangements.** To the best knowledge of the Directors as at the Latest Practicable Date, save for the Irrevocable Undertakings as described in Section 7 (Irrevocable Undertakings) of this Offer Document and the Offeror Shareholders' Agreement as described in Section 8.1 (Information on the Offeror) of the Letter to Shareholders of this Offer Document, neither the Offeror nor any of its Concert Parties has entered into any arrangement with any person of the kind referred to in Note 7 on Rule 12 of the Code, including indemnity or option arrangements, and any agreement or understanding, formal or informal, of whatever nature, relating to the Company Securities which may be an inducement to deal or refrain from dealing in the Company Securities.
- 1.2 **No Agreement having any Connection with or Dependence upon the Offer.** As at the Latest Practicable Date, save for the Irrevocable Undertakings as described in Section 7 (Irrevocable Undertakings) of the Letter to Shareholders of this Offer Document and the Offeror Shareholders' Agreement as described in Section 8.1 (Information on the Offeror) of the Letter to Shareholders of this Offer Document, there is no agreement, arrangement or understanding between (a) the Offeror or any of its Concert Parties and (b) any of the present or recent directors of the Company or the present or recent Shareholders having any connection with or dependence upon the Offer.
- 1.3 **Transfer of Offer Shares.** As at the Latest Practicable Date, save as disclosed in this Offer Document, there is no agreement, arrangement or understanding whereby any of the Offer Shares acquired pursuant to the Offer will or may be transferred to any other person.

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However, the Offeror reserves the right to transfer any of the Offer Shares to any of its related corporations or for the purpose of granting security in favour of financial institutions which have extended credit facilities to it.

- 1.4 No Payment or Benefit to Directors of the Company.** As at the Latest Practicable Date, no payment or other benefit will be made or given to any director of the Company or of any corporation which is by virtue of Section 6 of the Companies Act deemed to be related to the Company, as compensation for loss of office or otherwise in connection with the Offer.
- 1.5 No Agreement Conditional upon Outcome of the Offer.** As at the Latest Practicable Date, save for the Irrevocable Undertakings as described in Section 7 (Irrevocable Undertakings) of the Letter to Shareholders of this Offer Document and the Offeror Shareholders' Agreement as described in Section 8.1 (Information on the Offeror) of the Letter to Shareholders of this Offer Document, there is no agreement, arrangement or understanding between (i) the Offeror and (ii) any of the directors of the Company or any other person in connection with or conditional upon the outcome of the Offer or otherwise connected with the Offer.
- 1.6 Transfer Restrictions.** There is no restriction in the Constitution of the Company on the right to transfer any Offer Shares, which has the effect of requiring the holders of such Offer Shares before transferring them, to offer them for purchase by members of the Company or any other person.
- 1.7 Directors' Service Contracts.** As at the Latest Practicable Date, there is no agreement, arrangement or understanding between the Offeror or any of its Concert Parties and any Director, whereby the emoluments received by the Directors will be affected as consequence of the Offer or any other associated relevant transaction.
- 1.8 No Material Change in Information.** Save as disclosed in this Offer Document, as far as the Offeror is aware, there has been no material change in any information previously published by or on behalf of the Offeror during the period commencing from the Offer Announcement Date and ending on the Latest Practicable Date.

On 14 October 2024, pursuant to Rule 28.1 of the Code, UOB announced, for and on behalf of the Offeror, in the Level of Acceptances Announcement, the level of acceptances in respect of the Offer. Paragraphs 2.1 and 2.4 of the Level of Acceptances Announcement set out certain information relating to the level of acceptances in respect of the Offer, the full text of which have been extracted from the Level of Acceptances Announcement and set out below. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Level of Acceptances Announcement.

2.1 Acceptances of the Offer

Based on information provided to the Offeror, as at 6.00 p.m. (Singapore time) on 14 October 2024, the Offeror has received, pursuant to the Offer, valid acceptances in respect of 284,247,110 Offer Shares, representing approximately 24.09%¹ of the total number of issued Shares.

Based on information available to the Offeror, the above-mentioned acceptances include 282,859,400 Shares (representing approximately 23.97% of the total number of issued Shares) tendered in acceptance of the Offer by Hanwha Aerospace and Hanwha Ocean, who are Concert Parties of the Offeror, pursuant to the HA Undertaking and HO Undertaking. Please refer to the Offer Document for further details of the HA Undertaking

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and HO Undertaking.

2.4 Aggregate Holdings

Accordingly, based on information available to the Offeror, as at 6.00 p.m. (Singapore time) on 14 October 2024, the Offeror and its Concert Parties owned, controlled or have agreed to acquire (including by way of valid acceptances of the Offer) an aggregate of 284,247,110 Shares², representing approximately 24.09% of the total number of issued Shares and approximately 22.55% of the maximum potential issued share capital of the Company³.

1. The percentage shareholding interest in this Announcement is based on a total of 1,179,985,415 Shares in issue (based on a search conducted with ACRA as at the date of this Announcement), and includes 64,620,748 Shares issued pursuant to the exercise of the Warrants following the Offer Announcement Date. Percentage figures have been rounded to the nearest two (2) decimal places.
2. The aggregate holdings of the Offeror and its Concert Parties has been adjusted to avoid double counting in respect of the 282,859,400 Shares tendered by Concert Parties of the Offeror in acceptance of the Offer as mentioned in paragraph 2.1 above.
3. For the purposes of this Announcement, the "maximum potential issued share capital of the Company" means the total number of Shares which would be in issue assuming the issuance of all Shares which may be unconditionally issued pursuant to the exercise of the Warrants and/or valid vesting and release of the Awards granted under the Dyna-Mac Share Award Scheme 2021 prior to the close of the Offer. Based on the latest information available to the Offeror, there are (i) 73,043,220 Warrants and (ii) 7,701,200 outstanding Awards pursuant to which 7,701,200 new Shares will be issued and allotted by the Company upon vesting of the Awards.

9 CONFIRMATION OF FINANCIAL RESOURCES

Paragraph 9 of the Revision of Offer Price Announcement sets out information on the confirmation of financial resources, the full text of which has been extracted from the Revision of Offer Price Announcement and set out below. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Revision of Offer Price Announcement.

9. CONFIRMATION OF FINANCIAL RESOURCES

UOB, as financial adviser to the Offeror, confirms that sufficient financial resources are available to the Offeror to satisfy in full all acceptances of the Offer, on the basis of the Final Offer Price, excluding:

- (i) the HA Shares to be tendered by Hanwha Aerospace pursuant to the HA Swap Arrangement, for which Hanwha Aerospace will waive its right to receive the HA Consideration; and
- (ii) the HO Shares to be tendered by Hanwha Ocean pursuant to the HO Swap Arrangement, for which Hanwha Ocean will waive its right to receive the HO Consideration,

each as described in Section 7 of the Letter to Shareholders in the Offer Document.

10 DIRECTORS' INTERESTS

Details of the Directors including, *inter alia*, the Directors' direct and deemed interests in the Company Securities and the Offeror Securities as at the Latest Practicable Date, are set out in Sections 5.3 and 5.5 of Appendix II to this Circular.

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11 ADVICE AND RECOMMENDATION IN RELATION TO THE OFFER

11.1 General

Shareholders should read and carefully consider the recommendation of the Independent Directors as set out in Section 12 of this Circular and the advice of the IFA to the Independent Directors which is set out in Appendix I to this Circular, before deciding whether to accept or reject the Offer.

11.2 Legal Advisors

For the purposes of this Circular, Lee & Lee has been appointed as the legal advisors to the Company in relation to the Offer.

11.3 Key factors taken into consideration by the IFA

The key factors relied upon by the IFA in arriving at its advice to the Independent Directors in respect of the Offer are set out in Paragraph 10 of the IFA Letter.

Shareholders should read and carefully consider the key factors relied upon by the IFA in arriving at its advice to the Independent Directors in conjunction with, and in the context of, the full text of the IFA Letter.

11.4 Advice of the IFA to the Independent Directors

The advice of the IFA to the Independent Directors in respect of the Offer is set out in Appendix I to this Circular. Taking into consideration the factors set out in the IFA Letter and the information available to the IFA as at the Latest Practicable Date, and subject to the qualifications and assumptions set out in the IFA Letter, the IFA has given its advice to the Independent Directors as set out in Paragraph 11 of the IFA Letter, an extract of which is reproduced below.

Shareholders should read the extract in conjunction with, and in the context of, the full text of the IFA Letter. Unless otherwise stated, all terms and expressions used in the extract below shall have the meanings given to them in the IFA Letter.

11. OUR OPINION

In arriving at our opinion in relation to the Offer, we have considered the views and representations made by the Directors and Management and reviewed and deliberated on the factors which we consider to be relevant and to have a significant bearing on our assessment of the terms of the Offer. We have carefully considered factors which we deem essential and balanced them before reaching our opinion. Accordingly, it is important that our IFA Letter, in particular, all the considerations and information which we have taken into account, be read in its entirety.

We wish to highlight some key considerations in arriving at our opinion:

11.1 “Fairness” of the Offer

The following factors substantiate the “fairness” of the Offer:

- (i) the Final Offer Price represents premia ranging between 18.58% to 67.50% over the respective VWAPs of the Shares for the 12-month, 6-month, 3-month and 1-month periods prior to and including the Last Trading Day, and a premium of 35.35% over the closing price of the Shares on the Last Trading Day. Further, the Final Offer Price represents a premium of 7.20% over the highest traded prices of the Shares during the 12-month, 6-month, 3-month and 1-month*

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periods prior to and including the Last Trading Day, and a premium of 30.10% over the highest traded price of the Shares on the Last Trading Day;

- (ii) the Final Offer Price represents a premium of 6.52% over the VWAP of the Shares for the period from 12 September 2024 (being the first traded day after the Offer Announcement Date) up to and including the Latest Practicable Date, and a premium of 2.29% over the closing price of the Shares of S\$0.655 on the Latest Practicable Date;*
- (iii) the Shares had traded at a highest price of S\$0.675 subsequent to the Offer Announcement Date up to and including the Latest Practicable Date, but closing prices during this period were below the Final Offer Price;*
- (iv) the Final Offer Price represents a premium of 538.10% and 526.17% over the NAV per Share and Diluted NAV per Share respectively. Further, the Final Offer Price represents a premium of 498.21% and 487.72% over the ANAV per Share and Diluted ANAV per Share respectively;*
- (v) the P/ANAV, P/Diluted ANAV, P/NTA and P/Diluted NTA of the Company, as implied by the Final Offer Price, are above the range of the P/NAV and P/NTA ratios of the Comparable Companies;*
- (vi) the premia of the Final Offer Price over the 1-month, 3-month and 6-month VWAPs of the Shares prior to and including the Last Trading Day, and over the last transacted price of the Shares on the Last Trading Day are within the range of, and above the corresponding median premia and more favourable than the corresponding mean discounts of the Precedent Non-Privatisation Transactions. Further, the P/ANAV and P/Diluted ANAV, as implied by the Final Offer Price, are above the range of offer price/NAV or offer price/RNAV of the Precedent Non-Privatisation Transactions; and*
- (vii) the Final Offer Price of S\$0.67 is within the range of the estimated value of the Shares of between S\$0.66 and S\$0.80.*

The following factors undermine the “fairness” of the Offer:

- (i) the Final Offer Price represents a discount of approximately 0.74% to the highest traded price of the Shares for the period from 12 September 2024 (being the first traded day after the Offer Announcement Date) up to and including the Latest Practicable Date;*
- (ii) the P/E of the Company, as implied by the Final Offer Price, is within the range of, but below the mean and median of the P/E ratios of the Comparable Companies. The Diluted P/E of the Company, as implied by the Final Offer Price, is within the range of, and above the median, but below the mean of the P/E ratios of the Comparable Companies; and*
- (iii) the EV/EBITDA and Diluted EV/EBITDA of the Company, as implied by the Final Offer Price, are within the range of, but below the mean and median of the EV/EBITDA ratios of the Comparable Companies.*

11.2 “Reasonableness” of the Offer

The following factors substantiate the “reasonableness” of the Offer:

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- (i) *the Final Offer Price represents a premium of 67.5% to the Acquisition Consideration per Sale Share paid by Hanwha Aerospace and Hanwha Ocean in May 2024 for their stakes in the Company;*
- (ii) *the Shares were not actively traded during the Reference Period. The average daily trading volume of the Shares during the 12-month, 6-month, 3-month and 1-month periods prior to and including the Last Trading Day were in the range of 1.92% to 2.60% of the Free Float. The average daily traded volume of the Shares represented 1.99% of the Free Float on the Last Trading Day;*
- (iii) *the average daily traded volume of the Shares represents 3.10% of the Free Float for the period from 12 September 2024 (being the first traded day after the Offer Announcement Date) up to and including the Latest Practicable Date, and 6.61% of the Free Float on the Latest Practicable Date. The trading volume of the Shares subsequent to the Offer Announcement Date up to and including the Latest Practicable Date, was generally higher than the periods prior to the Offer Announcement Date; and*
- (iv) *the Offer presents an opportunity for Shareholders to realise their investment in the Shares at a premium to the prevailing Share price as at the Latest Practicable Date, without incurring brokerage and other trading costs that would typically erode returns.*

The following factors undermine the “reasonableness” of the Offer:

- (i) *the Group’s net cash position (including the Singapore Treasury bills) as at 30 June 2024 amounted to S\$307.70 million. The Group’s Adjusted Cash per Share amounted to S\$0.28, while the Group’s Diluted Cash per Share amounted to S\$0.27; and*
- (ii) *the outlook of the Group is expected to be generally favourable, supported by its current orderbook which reflects sustained market demand for the Group’s FPSO topside modules, as well as the projected growth of the FPSO market at a CAGR of 14.6% from 2020 to 2032. Further, the Group’s orderbook has been on an increasing trend over the Period Under Review, and amounted to S\$438.2 million as at 31 December 2023 and S\$681.3 million as at 30 June 2024.*

Having considered carefully the information available to us as at the Latest Practicable Date, and based on our analyses, we are of the opinion that the terms of the Offer are on balance, fair and reasonable. Accordingly, we advise the Independent Directors to recommend Shareholders to ACCEPT the Offer.

In arriving at our opinion, we did not have regard to the specific investment objectives, financial situation, tax position, risk profiles or particular needs and constraints of any individual Shareholder. As different Shareholders would have different investment profiles and objectives, we recommend that any Shareholder who may require specific advice in relation to his/her investment objectives or portfolio should consult his/her legal, financial, tax or other professional adviser immediately.

We wish to emphasise that the Directors have not provided us with any financial projections or forecasts in respect of the Company or the Group and we have, inter alia, relied on the relevant statements contained in the Offer Document, Revision of Offer Price Announcement, Circular, this IFA Letter, confirmations, advice and representations by the Directors, the Management and/or their professional advisers (where applicable), and the Company’s announcements in relation to the Offer. In addition, Directors should note that we have arrived at our recommendation based on information made available to us prior to and including the Latest Practicable Date. We assume no responsibility to

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update, review or reaffirm our opinion in light of any subsequent development after the Latest Practicable Date, unless otherwise stated.

We would like to highlight that we do not express any opinion on the rationale for, as well as the legal and commercial risks and/or merits (if any) of the Offer, which remains the sole responsibility of the Directors. It is also not within our terms of reference to provide an opinion on the relative merits of the Offer vis-à-vis any alternative transactions previously considered by the Company or transactions that the Company may consider in the future.

We have prepared this IFA Letter for the use by the Independent Directors in connection with their consideration of the Offer, but any recommendations made by the Independent Directors in respect of the Offer shall remain their sole responsibility. Whilst a copy of this IFA Letter may be reproduced in the Circular, neither the Company, the Directors nor any other persons may reproduce, disseminate or quote this IFA Letter (or any part thereof) for the purposes (other than for the consideration of the Offer) at any time and in any manner without the prior written consent of ZICO Capital.

This opinion is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

12 RECOMMENDATION OF THE INDEPENDENT DIRECTORS

12.1 Independence of Directors

As at the Latest Practicable Date, each of Mr. Lim Ah Cheng, Mr. Henry Tan Song Kok, Ms. Lee Kim Lian, Juliana and Ms. Lim Rui Ping considers himself/herself to be independent for the purposes of making a recommendation to the Shareholders in relation to the Offer.

12.2 Independent Directors' Recommendation

The Independent Directors have reviewed and considered carefully the terms of the Offer, and the opinion and advice of the IFA in the IFA Letter. The Independent Directors concur with the IFA's opinion and advice, as extracted from the IFA Letter and reproduced in Section 11.4 above. Accordingly, the Independent Directors recommend that Shareholders **ACCEPT** the Offer.

Shareholders should note that the IFA's advice and the recommendation of the Independent Directors should not be relied upon by any Shareholder as the sole basis for deciding whether to accept or reject the Offer. The IFA, in giving its advice, and the Independent Directors, in making their recommendation, have not had regard to the general or specific investment objectives, financial situation, risk profiles, tax position or particular needs and constraints of any individual Shareholder. Accordingly, the Independent Directors recommend that any individual Shareholder who may require specific advice in relation to his or her investment objectives or portfolio should consult his or her stockbroker, bank manager, legal adviser, accountant, tax adviser or other professional adviser immediately.

SHAREHOLDERS SHOULD READ AND CONSIDER CAREFULLY THIS CIRCULAR, INCLUDING THE RECOMMENDATION OF THE INDEPENDENT DIRECTORS AND THE ADVICE OF THE IFA TO THE INDEPENDENT DIRECTORS IN RESPECT OF THIS OFFER AS SET OUT IN APPENDIX I TO THIS CIRCULAR IN THEIR ENTIRETY, BEFORE DECIDING WHETHER TO ACCEPT OR REJECT THE OFFER. SHAREHOLDERS ARE ALSO URGED TO READ THE OFFER DOCUMENT AND THE REVISION OF OFFER PRICE ANNOUNCEMENT CAREFULLY.

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Shareholders should also be aware and note that there is no assurance that the price and trading volume of the Shares will remain at current levels after the close of the Offer and the current price performance and trading volume of the Shares is not indicative of the future price performance or trading levels of the Shares. The price and trading volume of the Shares are subject to, *inter alia*, the performance and prospects of the Company, prevailing economic conditions, economic outlook and stock market conditions and sentiments.

13 OVERSEAS SHAREHOLDERS

Overseas Shareholders should refer to Section 16 of the Offer Document which sets out information in relation to Overseas Shareholders, the full text of which has been extracted from the Offer Document and set out below. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

16. OVERSEAS SHAREHOLDERS

16.1 Overseas Jurisdictions. *This Offer Document does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy any security, nor is it a solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issuance or transfer of the securities referred to in this Offer Document in any jurisdiction in contravention of applicable law.*

The release, publication or distribution of this Offer Document, the Notification, the Acceptance Forms and any other formal documentation in relation to the Offer (collectively, the “Offer Documentation”) in certain jurisdictions may be restricted by law and therefore persons in any such jurisdictions into which any Offer Documentation is released, published or distributed should inform themselves about and observe such restrictions.

Copies of the Offer Documentation are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any jurisdiction where the making of or the acceptance of the Offer would violate the laws of that jurisdiction (a “Restricted Jurisdiction”) and will not be capable of acceptance by any such use, instrumentality or facility within any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction.

The Offer (unless otherwise determined by the Offeror and permitted by applicable law and regulation) will not be made, directly or indirectly, in or into, or by the use of mails of, or by any means or instrumentality (including, without limitation, telephonically or electronically) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of, any Restricted Jurisdiction and the Offer will not be capable of acceptance by any such use, means, instrumentality or facilities.

16.2 Overseas Shareholders. *The availability of the Offer to Shareholders whose addresses are outside Singapore as shown in the Register or in the Depository Register (as the case may be) (each, an “Overseas Shareholder”) may be affected by the laws of the relevant overseas jurisdictions in which they are located. Accordingly, Overseas Shareholders should inform themselves of, and observe, any applicable requirements in the relevant overseas jurisdictions.*

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For the avoidance of doubt, the Offer will be open to all Shareholders, including those to whom the Offer Documentation may not be sent.

It is the responsibility of Overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws of the relevant overseas jurisdiction in that connection, including the obtaining of any governmental or other consent which may be required, or compliance with other necessary formalities or legal requirements and the payment of any taxes, imposts, duties or other requisite payments due in such jurisdiction. Such Overseas Shareholders shall be liable for any such taxes, imposts, duties or other requisite payments payable and the Offeror, its related corporations, UOB, CDP, the Registrar and any person acting on their behalf shall be fully indemnified and held harmless by such Overseas Shareholders for any such taxes, imposts, duties or other requisite payments as the Offeror, its related corporations, UOB, CDP, the Registrar and/or any person acting on their behalf may be required to pay. In accepting the Offer, each Overseas Shareholder represents and warrants to the Offeror and UOB that he is in full observance of the laws of the relevant jurisdiction in that connection and that he is in full compliance with all necessary formalities or legal requirements.

Any Overseas Shareholder who is in doubt about his position should consult his professional adviser in the relevant jurisdiction.

16.3 Copies of the Notification and the relevant Acceptance Forms. *Where there are potential restrictions on sending the Notification (containing the address and instructions for the electronic retrieval of this Offer Document and its related documents) and the relevant Acceptance Forms to any overseas jurisdiction, the Offeror and UOB each reserves the right not to send these documents to Overseas Shareholders in such overseas jurisdictions. Subject to compliance with applicable laws, any affected Overseas Shareholder may, nonetheless, obtain a copy of the Notification (containing the address and instructions for the electronic retrieval of this Offer Document and its related documents) the relevant Acceptance Forms and any related documents during normal business hours and up to the Closing Date, from the office of the Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632. Alternatively, an Overseas Shareholder may, subject to compliance with applicable laws, write to the Offeror c/o the Registrar at the above-stated address to request for the Notification (containing the address and instructions for the electronic retrieval of this Offer Document and its related documents) the relevant Acceptance Forms and any related documents to be sent to an address in Singapore by ordinary post at his own risk, up to the five (5) Market Days prior to the Closing Date. Electronic copies of the Offer Documentation may also be obtained on the website of the SGX-ST at <https://www.sgx.com>.*

16.4 Notice. *The Offeror and UOB each reserves the right to notify any matter, including the fact that the Offer has been made, to any or all Shareholders (including Overseas Shareholders) by announcement to the SGX-ST or paid advertisement in a daily newspaper published or circulated in Singapore, in which case, such notice shall be deemed to have been sufficiently given notwithstanding any failure by any Shareholder to receive or see such announcement or advertisement.*

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14 INFORMATION PERTAINING TO CPFIS INVESTORS AND SRS INVESTORS

Section 17 of the Offer Document sets out information pertaining to CPFIS Investors and SRS Investors, the full text of which has been extracted from the Offer Document and set out below. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

17. INFORMATION PERTAINING TO CPFIS INVESTORS AND SRS INVESTORS

17.1 CPFIS Investors. *CPFIS Investors will receive further information on how to accept the Offer from their respective CPF Agent Banks directly. CPFIS Investors are advised to consult their respective CPF Agent Banks should they require further information, and if they are in any doubt as to the action they should take, CPFIS Investors should seek independent professional advice.*

CPFIS Investors who wish to accept the Offer are to reply to their respective CPF Agent Banks accordingly by the deadline stated in the letter from their respective CPF Agent Banks. Subject to the Offer becoming or being declared unconditional in all respects in accordance with its terms, CPFIS Investors who accept the Offer will receive the Offer Consideration in respect of their Offer Shares, in their CPF investment accounts.

17.2 SRS Investors. *SRS Investors will receive further information on how to accept the Offer from their respective SRS Agent Banks directly. SRS Investors are advised to consult their respective SRS Agent Banks should they require further information, and if they are in any doubt as to the action they should take, SRS Investors should seek independent professional advice.*

SRS Investors who wish to accept the Offer are to reply to their respective SRS Agent Banks accordingly by the deadline stated in the letter from their respective SRS Agent Banks. Subject to the Offer becoming or being declared unconditional in all respects in accordance with its terms, SRS Investors who accept the Offer will receive the Offer Consideration in respect of their Offer Shares, in their SRS investment accounts.

CPFIS Investors and SRS Investors should note that the deadlines stated in the letter from their respective CPF Agent Banks and SRS Agent Banks may be earlier than the Closing Date.

15 ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who **wish to accept the Offer** must do so not later than 5.30 p.m. (Singapore time) on the Closing Date or such later date(s) as may be announced from time to time by the Offeror, abiding by the procedures for the acceptance of the Offer as set out in Appendix 2 to the Offer Document, the FAA and/or the FAT, as the case may be.

Acceptances should be completed and returned as soon as possible and, in any event, so as to be received, on behalf of the Offeror:

- (a) by CDP (in respect of the FAA); or
- (b) by the Registrar (in respect of the FAT),

as the case may be, not later than **5.30 p.m. (Singapore time) on the Closing Date** or such later date(s) as may be announced from time to time by the Offeror.

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Alternatively, as stated in Paragraph 7.2 of the Revision of Offer Price Announcement, Shareholders who are individual and joint-alternate account holders who hold Offer Shares deposited with CDP may also submit the FAA in electronic form via SGX's investor portal at investors.sgx.com.

Shareholders who **do not wish to accept the Offer** need not take any further action in respect of the Offer Document, the FAA and/or the FAT (as the case may be) which have been sent to them.

For the avoidance of doubt, Shareholders may use the existing Acceptance Forms that were despatched with the Offer Document Notification to accept the Offer at the Final Offer Price.

16 CONSENTS

The IFA has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name, its advice to the Independent Directors in relation to the Offer, the IFA Letter in Appendix I to this Circular, and all references thereto in the form and context in which they appear in this Circular.

E&Y has given and has not withdrawn its written consent to the inclusion of its name, its report in relation to the audited consolidated financial statements of the Group for FY2023 as set out in Appendix IV to this Circular, and all references thereto in the form and context in which they appear in this Circular.

Savills Valuation, the independent valuer of the Company commissioned to carry out a valuation of the Subject Assets as at the valuation date of 1 October 2024 and issue a valuation report thereon, has given and has not withdrawn its written consent to the inclusion of its name, its valuation report(s)/certificate(s), and all references thereto in the form and context in which they appear in this Circular. The Summary Valuation Report is reproduced in Appendix VII of this Circular.

Lee & Lee, named as the legal adviser to the Company as to Singapore law in relation to the Offer, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name, and all references thereto in the form and context in which they appear in this Circular.

17 DIRECTORS' RESPONSIBILITY STATEMENT

Save for (a) the recommendation of the Independent Directors to Shareholders set out in Section 12.2 of this Circular for which the Independent Directors are solely responsible, (b) the IFA Letter for which the IFA takes responsibility, (c) information extracted from the Offer Announcement, the Offer Document, and/or the Revision of Offer Price Announcement, (d) information relating to the Offeror, the IFA and the Independent Valuer, and (e) the Summary Valuation Report, the Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Offer, the Company, and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information in this Circular (other than the IFA Letter for which the IFA takes responsibility and the Summary Valuation Report for which the Independent Valuer takes responsibility) has been extracted from published or otherwise publicly available sources or obtained from a named source (including, without limitation, the Offer Announcement, the Offer Document, the Revision of Offer Price Announcement and/or the IFA Letter), the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

In respect of the IFA Letter and Summary Valuation Report, the sole responsibility of the Directors has been to ensure that the facts stated therein with respect to the Group are fair and accurate.

18 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at 59 Gul Road, Singapore

LETTER TO SHAREHOLDERS

629354, during normal business hours, for the period during which the Offer remains open for acceptance:

- (a) the Constitution;
- (b) the annual reports of the Company for FY2021, FY2022 and FY2023;
- (c) the IFA Letter, as set out in Appendix I to this Circular;
- (d) the FY2023 Results, as set out in Appendix IV to this Circular;
- (e) the unaudited condensed interim financial statements of the Group for 1H2024, as set out in Appendix V to this Circular;
- (f) the letters of consent referred to in Section 16 of this Circular; and
- (g) the full valuation report as referred to in the Summary Valuation Report.

19 ADDITIONAL INFORMATION

Your attention is drawn to the Appendices which form part of this Circular.

Yours faithfully

For and on behalf of the Board of Directors of
DYNA-MAC HOLDINGS LTD.



Henry Tan Song Kok
Lead Independent Director
23 October 2024

APPENDIX I – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS IN RESPECT OF THE OFFER

23 October 2024

Dyna-Mac Holdings Ltd.
59 Gul Road,
Singapore 629354

To: The Directors of Dyna-Mac Holdings Ltd. (the “**Company**” or “**Dyna-Mac**”) who are considered independent (the “**Independent Directors**”) for the purposes of the Offer (as defined herein):

Mr. Lim Ah Cheng	<i>Executive Chairman and Chief Executive Officer</i>
Mr. Henry Tan Song Kok	<i>Independent Non-Executive Director</i>
Ms. Lee Kim Lian, Juliana	<i>Independent Non-Executive Director</i>
Ms. Lim Rui Ping	<i>Non-Independent Non-Executive Director</i>

Dear Sirs,

VOLUNTARY CONDITIONAL CASH OFFER BY UNITED OVERSEAS BANK LIMITED (“UOB”), FOR AND ON BEHALF OF HANWHA OCEAN SG HOLDINGS PTE. LTD. (THE “OFFEROR”), TO ACQUIRE ALL THE ISSUED AND PAID-UP ORDINARY SHARES IN THE CAPITAL OF THE COMPANY (“SHARES”), OTHER THAN THOSE ALREADY OWNED, CONTROLLED OR AGREED TO BE ACQUIRED BY THE OFFEROR (THE “OFFER SHARES”) (THE “OFFER”)

*Unless otherwise defined or the context otherwise requires, all capitalised terms used in this letter shall have the same meaning as defined in the circular to shareholders of the Company (the “**Shareholders**”) dated 23 October 2024 (the “**Circular**”) issued by the Company. For the purposes of this letter, the Latest Practicable Date is 15 October 2024.*

1. INTRODUCTION

On 11 September 2024 (the “**Offer Announcement Date**”), UOB announced, for and on behalf of the Offeror, that the Offeror intends to make a voluntary conditional cash offer for all the Shares in the capital of the Company, other than those already owned, controlled or agreed to be acquired by the Offeror, as at the date of the Offer in accordance with Rule 15 of the Singapore Code on Take-overs and Mergers (the “**Code**”), for a consideration of S\$0.60 in cash (the “**Original Offer Price**”).

Subsequently, on 14 October 2024 (the “**Revision of Offer Price Announcement Date**”), UOB announced, for and on behalf of the Offeror, that the Offeror has revised the Original Offer Price to S\$0.67 in cash for each Offer Share (the “**Final Offer Price**”), and that the Offeror does not intend to revise the Final Offer Price, save that the Offeror reserves the right to do so in a competitive situation (the “**Revision of Offer Price Announcement**”).

The Company has appointed ZICO Capital Pte. Ltd. (“**ZICO Capital**”) as the independent financial adviser (the “**IFA**”) to advise the Independent Directors, for the purpose of making a recommendation to the Independent Directors in respect of the Offer.

This IFA letter (the “**IFA Letter**”) is addressed to the Independent Directors and sets out, *inter alia*, our evaluation and opinion on whether the terms of the Offer are fair and reasonable, and our recommendation thereon. This IFA Letter forms part of the Circular to be despatched to shareholders of the Company (“**Shareholders**”) in relation to the Offer, which provides, *inter alia*, the details of the Offer as well as the recommendations of the Independent Directors in respect of the Offer.

APPENDIX I – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS IN RESPECT OF THE OFFER

2. TERMS OF REFERENCE

ZICO Capital has been appointed as the IFA to opine on whether the terms of the Offer are fair and reasonable, and to provide our recommendations thereon.

We were not involved in, or responsible for, any aspect of the negotiations pertaining to the Offer, nor were we involved in the deliberations leading up to the Offer. We were not required, instructed or authorised, to solicit, and we have not solicited, any indications of interest from any third party with respect to any other proposals for transactions similar to or in lieu of the Offer. It is also not within our terms of reference to compare the relative merits of the Offer *vis-à-vis* any alternative transactions previously considered by the Directors or transactions that the Directors may consider in the future. Such comparison and consideration shall remain the responsibility of the Directors. We do not, by this IFA Letter, warrant the merits of the Offer other than to express an opinion on whether the terms of the Offer are fair and reasonable, and to provide our recommendations thereon.

We have confined our evaluation and analysis of the Offer strictly and solely to the financial terms of the Offer. Our terms of reference do not require us to evaluate or comment on the rationale for, as well as the legal, strategic, commercial and financial risks and/or merits (if any) of the Offer, or on the future financial performance or prospects of the Company and its subsidiaries (the “**Group**”). Accordingly, we have not made such evaluations or comments. Such evaluations or comments shall remain the sole responsibility of the Directors and the management of the Company (the “**Management**”), although we may draw upon their views or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our opinion and recommendation as set out in this IFA Letter.

It is also not within the scope of our appointment to express any view herein as to the prices at which the Shares may trade upon the completion or expiry of the Offer. We have not relied upon any financial projections or forecasts in respect of the Company or the Group. We are not required to express, and we do not express, any views on the growth prospects, earnings potential, future financial performance, or future financial position of the Company or the Group arising from the Offer or otherwise. No financial or profit forecasts, business plans or management accounts of the Company and/or the Group have been specifically prepared for the purpose of evaluating the Offer.

In the course of our evaluation of the financial terms of the Offer, we have held discussions with the Directors, the Management and/or their professional advisers (where applicable) and have examined and relied to a considerable extent on the information set out in the Circular, other publicly available information collated by us as well as information, representations, opinions, facts and statements provided to us, whether written or verbal, by the Directors, the Management and/or their professional advisers (where applicable). In particular, we had obtained and relied on the disclosures and representations provided by the Company on the value of the property assets, financial assets and liabilities of the Company and/or the Group, for the purposes of our evaluation of the financial terms of the Offer.

We have not independently verified and have assumed that all statements of fact, belief, opinion and intention made by the Directors and the Management in the Circular have been reasonably made after due and careful enquiry. Whilst care has been exercised in reviewing the information which we have relied on, we have not independently verified the information but nevertheless have made reasonable enquiries and exercised judgement on the reasonable use of such information, as were deemed necessary, and have found no reason to doubt the accuracy or reliability of the information and representations.

We have relied upon the assurances from the Directors and the Management (including those who may have delegated detailed supervision of the Circular), who have accepted full responsibility for the accuracy and completeness of the information provided to us, that, to the best of their knowledge and belief, they have taken reasonable care to ensure that the facts stated and opinions expressed by them or the Company in the Circular are true, complete and

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accurate in all material aspects. The Directors and Management have confirmed to us that, to the best of their knowledge and belief, the Circular constitutes full and true disclosure of all material facts about the Offer and the Group, and the Directors and the Management are not aware of any facts, the omission of which would cause any statement in the Circular in respect of the Offer and the Group to be inaccurate, incomplete or misleading in any material respect. The Directors have jointly and severally accepted full responsibility for such information described herein.

We have not made any independent evaluation or appraisal of the assets and liabilities (including without limitation, the property, plant and equipment and the right-of-use assets) of the Group. However, we have been furnished with the valuation report dated 1 October 2024 in respect of the Revalued Properties (as defined herein) (“**Valuation Report**”) prepared by Savills Valuation and Professional Services (S) Pte. Ltd. (the “**Independent Valuer**”), which the Company has commissioned in connection with the Offer, and on which we have placed sole reliance on for such valuation (“**Independent Valuation**”). The details of the Independent Valuation are set out in Section 10.3.1 of this IFA Letter.

We are not experts in the evaluation or appraisal of the assets concerned and we have placed sole reliance to the Valuation Report for such assets appraisal, and have not made any independent verification of the contents thereof. We are not involved and assume no responsibility for the Valuation Report. Accordingly, no representation or warranty, expressed or implied, is made and no responsibility is accepted by us concerning the accuracy, completeness and adequacy of the Valuation Report.

Our opinion and recommendation set out in this IFA Letter are based on market, economic, industry, monetary and other conditions (if applicable) prevailing, as well as information and representations provided to us as at the Latest Practicable Date. Such conditions and information may change significantly over a short period of time. We assume no responsibility to update, revise or reaffirm our opinion and recommendation in the light of any subsequent developments after the Latest Practicable Date that may affect our opinion and/or our recommendation contained herein. Shareholders should take note of any announcements relevant to their consideration of the Offer, which may be released after the Latest Practicable Date.

In rendering our advice and providing our opinion and recommendation, we did not have regard to the specific investment objectives, financial situation, tax position, risk profiles or unique needs and constraints of any Shareholder or any specific group of Shareholders. As different Shareholders would have different investment profiles and objectives, we would advise the Independent Directors to recommend that any individual Shareholder, or group of Shareholders, who may require specific advice in the context of his or their investment objective(s) or portfolio(s) consult his or their legal, financial, tax or other professional advisers immediately.

The Company has been separately advised by its own professional advisers in the preparation of the Circular (other than this IFA Letter). We have had no role or involvement, and have not provided any advice (financial or otherwise) whatsoever in the preparation, review and verification of the Circular (other than this IFA Letter). Accordingly, we take no responsibility for, and express no views, whether expressed or implied, on the contents of the Circular (except for this IFA Letter and the extract of our opinion and recommendation in the Circular).

We have prepared this IFA Letter for the use by the Independent Directors in connection with their consideration of the Offer, but any recommendations made by the Independent Directors in respect of the Offer shall remain their sole responsibility.

Whilst a copy of this IFA Letter may be reproduced in the Circular, neither the Company, the Directors nor any other persons may reproduce, disseminate or quote this IFA Letter (or any part thereof) for any other purposes other than for the consideration of the Offer at any time and in any manner without the prior written consent of ZICO Capital in each specific case.

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Our opinion and recommendation in relation to the Offer should be considered in the context of the entirety of this IFA Letter and the Circular.

3. THE OFFER

The Offer is made by UOB, for and on behalf of the Offeror, to acquire all the Offer Shares in accordance with Rule 15 of the Code. The Offer is subject to the terms and conditions set out in the offer document dated 2 October 2024 issued by UOB, for and on behalf of the Offeror, in respect of the Offer, together with the Form of Acceptance and Authorisation for Offer Shares and the Form of Acceptance and Transfer for Offer Shares (the “**Offer Document**”) as well as the Revision of Offer Price Announcement.

The principal terms of the Offer are set out in the Revision of Offer Price Announcement and Sections 2 to 4 of the Letter to Shareholders and Appendix 1 of the Offer Document. We recommend that Shareholders read the terms and conditions of the Offer contained therein carefully.

The key terms of the Offer are set out below for your reference.

3.1 Final Offer Price

The Final Offer Price for each Offer Share is S\$0.67 in cash.

The Offeror does not intend to revise the Final Offer Price, save that the Offeror reserves the right to do so in a competitive situation.

The Offer will be extended to all the Shares other than those already owned, controlled or agreed to be acquired by the Offeror. The Offer will also be extended, on the same terms and conditions, to all new Shares unconditionally issued or to be issued prior to the final closing date of the Offer (the “**Closing Date**”) pursuant to:

- (i) the valid exercise of the bonus warrants issued by the Company, which are exercisable into new Shares (the “**Warrants**”); and
- (ii) the valid vesting and release of outstanding Awards granted under the DMSAS 2021 (as defined in paragraph 5 of this IFA Letter).

For the purposes of the Offer, the expression “**Offer Shares**” shall include the aforesaid Shares.

3.2 No Encumbrances

The Offer Shares are to be acquired (a) fully paid, (b) free from any claims, charges, equities, mortgages, liens, options, pledges, encumbrances, powers of sale, declarations of trust, hypothecations, retention of title, rights of pre-emption, rights of first refusal, moratorium and other third party rights or security interest of any kind or an agreement, arrangement or obligation to create any of the foregoing (“**Encumbrances**”), and (c) together with all rights, benefits, entitlements and advantages attached thereto as at the Offer Announcement Date and thereafter attaching thereto, including but not limited to the right to receive and retain any dividends, rights, other distributions and/or return of capital (if any) declared, paid or made by the Company in respect of the Offer Shares (collectively, “**Distributions**”), the Record Date for which falls on or after the Offer Announcement Date. “**Record Date**” means, in relation to the any Distributions, the date on which the Shareholders must be registered with the Company or with the Central Depository (Pte) Limited (“**CDP**”), as the case may be, in order to participate in such Distributions.

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3.3 Adjustments for Distributions

Without prejudice to the foregoing, the Final Offer Price has been determined on the basis that the Offer Shares will be acquired with the right to receive any Distributions, the Record Date for which falls on or after the Offer Announcement Date.

In the event any Distribution is or has been declared, paid or made by the Company in respect of the Offer Shares, the Record Date for which falls on or after the Offer Announcement Date, the Final Offer Price payable to a Shareholder who validly accepts or has validly accepted the Offer shall be reduced by an amount which is equal to the amount of such Distribution as follows, depending on when the settlement date in respect of the Offer Shares tendered in acceptance of the Offer by such accepting Shareholder falls, as follows:

- (i) if such settlement date falls on or before the Record Date, the Final Offer Price shall remain unadjusted for each Offer Share, as the Offeror will receive the Distribution in respect of such Offer Shares from the Company; and
- (ii) if such settlement date falls after the Record Date, the Final Offer Price payable for such Offer Shares tendered in acceptance shall be reduced by an amount which is equal to the amount of the Distribution in respect of such Offer Shares, as the Offeror will not receive such Distribution from the Company.

3.4 Conditions to the Offer

The Offer will be subject to the conditions set out below.

- (i) **Minimum Acceptance Condition** - The Offer is conditional upon the Offeror having received, by the close of the Offer, valid acceptances in respect of such number of Offer Shares which, when taken together with the Shares owned by the Offeror and parties acting or deemed to be acting in concert with it, will result in the Offeror and parties acting or deemed to be acting in concert with it holding more than 50% of the Shares in issue as at the close of the Offer (including any Shares which may be unconditionally issued pursuant to the exercise of the Warrants and/or valid vesting and release of the Awards granted under the DMSAS 2021 prior to the close of the Offer) (the “**Minimum Acceptance Condition**”).

Accordingly, the Offer will not become or be capable of being declared unconditional as to acceptances until the close of the Offer, unless at any time prior to the close of the Offer, the Offeror has received valid acceptances in respect of such number of Offer Shares which will result in the Offeror and parties acting or deemed to be acting in concert with it holding such number of Shares amounting to more than 50% of the maximum potential issued share capital of the Company. For this purpose, the “**maximum potential issued share capital of the Company**” means the total number of Shares which would be in issue had all the Warrants (to the extent such Warrants continue to be exercisable into new Shares) been exercised and all the Shares under Awards granted under the DMSAS 2021 been issued and delivered as at the date of such declaration.

- (ii) **Merger Control Condition** - The Offer is conditional upon the Competition and Consumer Commission of Singapore (“**CCCS**”) having issued a favourable decision, in terms satisfactory to the Offeror, during its preliminary assessment pursuant to the CCCS Guidelines on Merger Procedures that the proposed acquisition of the Company by the Offeror will not infringe the provisions under Section 54 of the Competition Act 2004 of Singapore (the “**Favourable Decision**”) (the “**Merger Control Condition**”).

Merger Control Event - The Offer shall lapse in the event (each, a “**Merger Control Event**”) that:

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- (A) CCCS refers the proposed acquisition of the Company by the Offeror, or any matter arising from or relating to that proposed acquisition, to a more detailed assessment pursuant to the CCCS Guidelines on Merger Procedures; or
- (B) CCCS issues a direction that prohibits the Offeror from acquiring voting rights in the Company,

before the Closing Date as set out in the Revision of Offer Price Announcement, being 5.30 p.m. (Singapore time) on 6 November 2024, or the date when the Offer becomes or is declared unconditional as to acceptances, whichever is the later.

3.5 Closing Date

The Offer is open for at least 14 days from the date of posting of the written notification of revision of the Original Offer Price to Shareholders. **Accordingly, the Closing Date of the Offer is 5.30 p.m. (Singapore time) on 6 November 2024 or such later date(s) as may be announced from time to time by or on behalf of the Offeror.**

4. NO WARRANTS OFFER

As at the Latest Practicable Date, the Company has 55,332,460 Warrants, which are exercisable into 55,332,460 new Shares representing approximately 4.42% of the resulting enlarged total number of issued Shares of 1,253,028,635 Shares (“**Enlarged Share Capital**”). Each Warrant is exercisable into one (1) Share at an exercise price of S\$0.15 during the exercise period from 22 July 2024 to 22 October 2024. The terms and conditions of the Warrants are set out in the deed poll constituting the Warrants executed by the Company on 8 January 2024.

As the Warrants are transferable by the holders of Warrants (the “**Warrantholders**”), the Offeror would have been required, pursuant to Rule 19 of the Code, to make an offer to the Warrantholders to acquire the Warrants (the “**Warrants Offer**”). However, the Offeror had sought, and the Securities Industry Council of Singapore (“**SIC**”) had granted, a waiver of the requirement for the Offeror to make the Warrants Offer pursuant to Rule 19 of the Code, subject to certain conditions (the “**Warrants Offer Waiver**”).

Accordingly, the Offeror will not be making a Warrants Offer to Warrantholders to acquire their Warrants.

Although the Offeror has not made a Warrants Offer to Warrantholders to acquire their Warrants, the Offer is extended to all new Shares issued pursuant to the exercise of the Warrants prior to the close of the Offer. Accordingly, Warrantholders can accept the Offer by exercising their Warrants into Shares in accordance with the terms and conditions of the Warrants and tendering such Shares in acceptance of the Offer in accordance with the terms of the Offer.

Based on the latest information available to the Offeror as at 27 September 2024, being the latest practicable date prior to the electronic dissemination of the Offer Document (“**Offer Document LPD**”), none of the Offeror nor any parties acting or deemed to be acting in concert with it have made any purchases of Warrants during the period commencing three (3) months prior to the Offer Announcement Date and up to the Offer Document LPD.

5. AWARDS

As at the Latest Practicable Date, there are 7,701,200 outstanding awards granted under the Dyna-Mac Share Award Scheme 2021, which was approved and adopted by shareholders of the Company on 29 April 2021 (“**DMSAS 2021**”) (“**Awards**”).

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As the Awards are not transferable by the holders thereof, the Offeror has not made an offer to acquire the Awards, although, for the avoidance of doubt, the Offer will be extended to all new Shares unconditionally issued or to be issued pursuant to the valid vesting and release of any outstanding Awards prior to the Closing Date.

6. INFORMATION ON THE OFFEROR, HANWHA AEROSPACE AND HANWHA OCEAN

The Offeror is an investment holding company incorporated in Singapore on 21 June 2024 for the purposes of making the Offer. Hanwha Aerospace Co., Ltd. (“**Hanwha Aerospace**”) and Hanwha Ocean Co., Ltd (“**Hanwha Ocean**”), have agreed, pursuant to a shareholders' agreement dated 11 September 2024 entered into between the Offeror, Hanwha Aerospace and Hanwha Ocean, to undertake the Offer through the Offeror (the “**Offeror Shareholders' Agreement**”). The Offeror Shareholders' Agreement sets out the proposed terms of the shareholders and governance arrangements between Hanwha Aerospace and Hanwha Ocean in respect of the Offeror, in relation to the Offer and following completion of the Offer, including reserved matters requiring the prior written approval of Hanwha Aerospace and Hanwha Ocean. The Offeror has not carried on any business since its incorporation, except in relation to matters in connection with the making of the Offer.

As at the Offer Document LPD:

- (i) the Offeror has an issued and paid-up share capital of S\$900 comprising 900 ordinary shares;
- (ii) Hanwha Aerospace holds 810 ordinary shares in the Offeror, representing 90% of the total number of ordinary shares of the Offeror; and
- (iii) Hanwha Ocean holds 90 ordinary shares in the Offeror, representing 10% of the total number of ordinary shares of the Offeror.

As at the Offer Document LPD, the directors of the Offeror are Mr. Shin, Yong In, Mr. Choi, Jin Hyun and Mr. Suh, Wee Hyuk.

6.1 Information on Hanwha Aerospace

Hanwha Aerospace is a public company incorporated in South Korea and listed on the Korean Stock Exchange. Hanwha Aerospace engages in the defence, aerospace and space business, with expertise in navigation systems, space launch vehicles, satellite services, gas turbine engines and components, and marine lithium-ion battery systems for ships.

As at the Offer Document LPD, Hanwha Aerospace has a paid-up registered capital of KRW265,650,000,000 (equivalent to approximately S\$257,784,980 based on the exchange rate of S\$1.00: KRW1,030.51) with a market capitalisation of approximately KRW17.05 trillion as at the Latest Practicable Date (equivalent to S\$16.39 billion based on the exchange rate of S\$1.00: KRW1,039.86).

Hanwha Corporation Co., Ltd. (“**Hanwha Corporation**”) owns approximately 33.95% of the shares of Hanwha Aerospace as at the Offer Document LPD. Hanwha Corporation, also listed on the Korean Stock Exchange, has a market capitalisation of approximately KRW2.12 trillion as at the Latest Practicable Date (equivalent to S\$2.04 billion based on the exchange rate of S\$1.00: KRW1,039.86).

As at the Offer Document LPD, Hanwha Aerospace's board of directors comprises:

- (a) Mr. Kim, Dongkwan (Internal Director);
- (b) Mr. Son, Jae Il (Internal Director);
- (c) Mr. An, Byungchul (Internal Director);
- (d) Ms. Kim, Hyoun Jin (Outside Director);

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- (e) Mr. Jun, Jingoo (Outside Director);
- (f) Mr. Chon, Huy jae (Outside Director); and
- (g) Mr. Jung, Do-jin (Outside Director).

6.2 Information on Hanwha Ocean

Hanwha Ocean is a public company incorporated in South Korea and listed on the Korean Stock Exchange. It carries on the business of shipbuilding. Since 1973, Hanwha Ocean has continuously pioneered new businesses and now produces a vast range of vessels, including commercial ships, drillships, floating oil production facilities, and specialty ships, such as submarines and destroyers.

As at the Offer Document LPD, Hanwha Ocean has a paid-up registered capital of KRW1,536,794,495,000 (equivalent to approximately S\$1,491,295,082 based on the exchange rate of S\$1.00: KRW1,030.51) with a market capitalisation of approximately KRW9.55 trillion as at the Latest Practicable Date (equivalent to S\$9.18 billion based on the exchange rate of S\$1.00: KRW1,039.86). Hanwha Aerospace holds approximately 23.14% of the shares of Hanwha Ocean as at the Offer Document LPD. Hanwha Corporation (which is listed on the Korean Stock Exchange) and Hanwha Energy Corporation, together with their related corporations and affiliates (including Hanwha Aerospace), own an aggregate of approximately 46.29% of the shares in the capital of Hanwha Ocean.

As at the Offer Document LPD, Hanwha Ocean's board of directors comprises:

- (a) Mr. Kwon, Hyek Woong (Internal Director);
- (b) Mr. Kim, Jong Seo (Internal Director);
- (c) Mr. Ryoo, Duhyoung (Internal Director);
- (d) Mr. Kim, Dongkwan (Non-Executive Internal Director);
- (e) Mr. Rhee, Shin Hyung (Outside Director);
- (f) Mr. Kim, Bong Hwan (Outside Director);
- (g) Mr. George P. Bush (Outside Director);
- (h) Ms. Hyun, Nak Hee (Outside Director); and
- (i) Mr. Kim, Jaeik (Outside Director).

Please refer to Section 8, Appendix 3 and Appendix 4 of the Offer Document for additional information on the Offeror, Hanwha Aerospace and Hanwha Ocean.

7. INFORMATION ON THE COMPANY

The Company is a company incorporated in Singapore on 19 June 2003 and was listed on the Mainboard of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 2 March 2011. The Group is a multi-disciplinary specialist provider of detailed engineering, procurement and construction services to the offshore oil and gas, marine construction and other industries.

The principal activities of the Company and its subsidiaries are (a) contractors for project management, engineering, fabrication and installation of land and marine works, (b) contractors for repair and marine works, (c) provision of project management services for projects in the People's Republic of China, and (d) repair of ships, tankers and other ocean-going vessels, manufacture and repair of marine engine and ship parts, and the provision of manpower resources for shipping-related projects.

As at the Latest Practicable Date, the Company has:

- (i) an issued and paid-up share capital of S\$171,360,659.25 comprising 1,197,696,175 issued Shares;
- (ii) 55,332,460 outstanding Warrants;

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- (iii) 7,701,200 outstanding Awards pursuant to which 7,701,200 new Shares will be issued and allotted by the Company upon vesting of the Awards. These Awards will be released and vested in tranches in 2025, subject to the achievement of performance targets as prescribed under the terms of individual Awards.

Mr. Lim Ah Cheng, the Executive Chairman and Chief Executive Officer of the Company, is interested in a total of 3,857,500 outstanding Awards pursuant to which up to 3,857,500 new Shares will be issued and allotted by the Company upon vesting of the Awards. These 3,857,500 outstanding Awards comprise (i) 2,728,500 outstanding Awards, for which Mr. Lim Ah Cheng has fulfilled the performance targets as prescribed under the terms of his Awards and (ii) 1,129,000 outstanding Awards for which the performance targets (and/or their fulfillment thereof) would be assessed in 2025. The term of the DMSAS 2021 provide, *inter alia*, that Mr. Lim Ah Cheng shall be entitled to Awards if he has met his performance targets within the period commencing on the date on which the Offer becomes or is declared unconditional, as the case may be, and ending on the earlier of (i) the expiry of six (6) months thereafter, or (ii) the date of expiry of the period for which the performance targets are to be fulfilled. In the event the Offeror becomes entitled or bound to exercise rights of compulsory acquisition under the provisions of the Companies Act and, being entitled to do so, gives notice that it intends to exercise such rights on a specified date, Mr. Lim Ah Cheng shall be obliged to fulfil his performance targets until the expiry of such specified date or the expiry date of the performance targets relating thereto, whichever is earlier, before an Award can be vested. Further details on the Awards held by Mr. Lim Ah Cheng are set out in Section 5.3(b) of Appendix II of the Circular.

As at the Latest Practicable Date, there are no convertible securities (save for the outstanding Warrants), Shares held in treasury or subsidiary holdings in the Company.

Please refer to Appendix II of the Circular for additional information on the Company.

8. IRREVOCABLE UNDERTAKINGS AND SWAP ARRANGEMENTS

As at the Offer Document LPD, the Offeror has received irrevocable undertakings from Hanwha Aerospace (the “**HA Undertaking**”) and Hanwha Ocean (the “**HO Undertaking**”), pursuant to which:

- (a) Hanwha Aerospace has undertaken to tender the 41,429,700 Shares, representing approximately 3.56% of the total number of issued Shares, owned by Hanwha Aerospace (“**HA Shares**”) in acceptance of the Offer and to waive its rights under Rule 30 of the Code to receive the cash consideration payable to it by the Offeror under the terms of the Offer (the “**HA Consideration**”), with the amount of the HA Consideration remaining as a shareholder’s loan owing by the Offeror to Hanwha Aerospace (the “**HA Swap Arrangement**”); and
- (b) Hanwha Ocean has undertaken to tender the 241,429,700 Shares, representing approximately 20.75% of the total number of issued Shares, owned by Hanwha Ocean (“**HO Shares**”) in acceptance of the Offer and to waive its rights under Rule 30 of the Code to receive the cash consideration payable to it by the Offeror under the terms of the Offer (the “**HO Consideration**”), with the amount of the HO Consideration remaining as a shareholder’s loan owing by the Offeror to Hanwha Ocean (the “**HO Swap Arrangement**” and together with the HA Swap Arrangement, the “**Swap Arrangements**”).

Each of the HA Undertaking and the HO Undertaking will terminate and cease to have any further force or effect if the Offer lapses or is withdrawn or fails to become or be declared unconditional in accordance with its terms for any reason other than a breach by Hanwha Aerospace or

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Hanwha Ocean (as the case may be) of its obligations under the HA Undertaking or the HO Undertaking (as the case may be).

Save for the HA Undertaking and the HO Undertaking, as at the Offer Document LPD, neither the Offeror nor any of its parties acting or presumed to be acting in concert with the Offeror in connection with the Offer has received any undertaking from any other party to accept or reject the Offer.

The SIC has confirmed that arrangements made between Hanwha Aerospace, Hanwha Ocean and the Offeror, including the Swap Arrangements and the Offeror Shareholders' Agreement, will not constitute special deals for the purposes of Rule 10 of the Code.

Please refer to Section 7 of the Offer Document for further details on the HA Undertaking, the HO Undertaking and Swap Arrangements.

9. RATIONALE FOR THE OFFER AND THE OFFEROR'S INTENTIONS IN RELATION TO THE COMPANY

9.1 Highlights and Rationale for the Offer

Please refer to Section 10 of the Offer Document for the full text of the highlights of and rationale for the Offer, as articulated by the Offeror. A summary is set out below.

- (i) the Offer presents Shareholders with a unique opportunity to immediately realise their investment at a premium over the volume-weighted average price (“VWAP”) of the Shares for the period and the last transacted price per Share on 10 September 2024, being the last full day of trading of the Shares prior to the Offer Announcement Date (the “**Last Trading Day**”), without incurring brokerage and other trading costs that would typically erode returns;
- (ii) due to the offshore plant industry’s cyclical nature, companies in the offshore marine services and engineering sector, including the Company, are prone to notable performance volatility and uncertainty. This can lead to long periods of uncertain outlook for many operators in this space, including the Company. Looking at the lowest closing price of the Shares in the 12 months, and last three (3) years prior to and including the Last Trading Day, the Original Offer Price provides investors with a 155.3% and 581.8% premium, respectively. The Offer provides a viable exit alternative for investors who may want to avoid entirely or reduce future exposure to such volatility and unpredictability;
- (iii) as at the Offer Document LPD, apart from the Offer, no third party has announced an offer for the Company and the Company has not announced any approach by, or receipt of any proposal from, any third party with an intention to make an offer for the Company. Accordingly, as at the Offer Document LPD, the Offer presents the only offer available for acceptance by Shareholders to realise their investment in the Company;
- (iv) the market is expected to focus increasingly on global energy transition, which requires more development and investment in offshore upstream activities, as well as upgrading related infrastructure to meet green sustainability objectives. The absence of economies of scale and technology to do so could make navigating the global energy transition more challenging for the Company. Hanwha Ocean is committed to utilising advanced technology to provide solutions that will drive change. In the event that the Offer is successful, the Offeror intends to work with the Company to extend the reach of digital transformation into yards, bringing to life smart yards, while delivering low and zero-carbon solutions that can power the energy transition;
- (v) given there are no factors such as technology, research and development requirements, regulatory barriers, import restrictions and intellectual property rights that would

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constitute an effective and defensible barrier to entry, the Company will continue to face significant pressure from potential and existing competitors. At the Company's current scale, it could be increasingly hard to defend its competitive position. The Offeror's acquisition may allow the Company to: (i) become more resilient to intensified competition from players with superior scale by (A) leveraging combined resources including project management capabilities, engineering competencies, know-hows, and best practices, (B) optimising operational efficiencies, (C) capitalising on greater capacity to invest in research and development (R&D), driving technological advancements and delivering long-term benefits to future innovation; and (ii) benefit from 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. Without the above, the Company could face difficulties in maintaining its market position in an increasingly challenging competitive environment;

- (vi) the Offer is based on a rigorous review of factors affecting the Company's business outlook, including macro-economic uncertainties, volatility in oil prices and geopolitical risks. The Offeror notes the highly cyclical and uncertain nature of the offshore plant industry. Over the past 10 years, the Company's share price has shown similar movements compared with crude oil prices during the same period. Due to volatility risks present in the economy and the industry, companies in the sector including the Company have faced significant financial challenges in certain periods over the past 10 years. In the past 10 years, although there have been periods where the Company has recorded net profits after tax, the Company recorded net losses after tax for FY2015, FY2016, FY2017, FY2019 and FY2020. The Offeror believes in the need for a patient and sustainable approach to the Company's growth by targeting market opportunities in energy transition more broadly and moving away from pure oil and gas. With its wide-ranging business portfolio, the Offeror takes a long-term strategic view of its investment in the Company. In the event that the Offeror obtains majority control through the Offer, it is committed to work with the Company to navigate any potential volatility risks that may affect the sector or the Company; and
- (vii) the Offeror's acquisition will enable the Company to advance new technologies and investments in the Singapore energy market while preserving its status as a Singaporean home-grown enterprise. Hanwha Ocean is in the process of implementing a multi-yard strategy with presence in strategic locations, including Singapore, Korea, US, and China. Hanwha Ocean is a leading global builder that produces a wide range of specialized vessels critical to the offshore marine sector. It also develops green solutions, such as energy-saving devices and propulsion technologies that leverage environmentally friendly fuels and advanced technologies to provide customers with valuable marine and energy infrastructure solutions. Through the Offer, Hanwha Ocean and the Offeror are committed to empowering the Company to be better-positioned locally, to foster innovation and progress in the offshore plant industry. Hanwha is committed to becoming an integral part of the local ecosystem. The Offeror values the identity of the Company as a successful Singapore home-grown enterprise with multinational clients and partners. The Offeror recognizes the contribution of its employees in building up the business and has no current intention to discontinue the employment of the existing employees of the Group, other than in the ordinary course of business. The Offeror is of the view that the Company now requires global scale to continue its growth in the current industry landscape.

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9.2 Highlights and Rationale for the Revision of Offer Price

Please refer to the Revision of Offer Price Announcement for the full text of the highlights of the revised Offer, as articulated by the Offeror. A summary is set out below.

- (i) the Final Offer Price of S\$0.67 represents an increase of S\$0.07 or approximately 11.67% over the Original Offer Price of S\$0.60 for each Offer Share. The Offeror is of the view that this improved offer further reinforces an already unique exit opportunity for Shareholders to immediately realise their investment at a premium over the VWAP of the Shares and the last transacted price per Share on the Last Trading Day, without incurring brokerage and other trading costs that would typically erode returns. The Final Offer Price now also exceeds all previous closing prices of the Shares for the past 10 years prior to and including the Last Trading Day;
- (ii) the Offeror would also like to note that the Final Offer Price now represents a premium of 584.4% over the Company's net asset value ("NAV") of 9.79 cents as at 30 June 2024 and more than 14x the diluted earnings per share (price-to-earnings ratio) for the 12 months ended 30 June 2024; and
- (iii) the Final Offer remains the one and only offer available for acceptance by Shareholders to immediately realise their investment in the Company at such notable premiums. No alternative proposal for the Company has been announced. In the event the Offer is not successful, there is no assurance that the share price will remain at current prevailing levels or that shareholders will be able to monetise their Shares at the Final Offer Price

9.3 Rationale for the Final Offer Price

Please refer to the Revision of Offer Price Announcement for the full text of the rationale for the Final Offer Price, as articulated by the Offeror. A summary of the rationale is set out below.

The Final Offer comes at a critical time for the Company, which as detailed in the Offer Document operates in an offshore industry facing growing challenges in navigating the global energy transition, rising international competition, and energy price volatility that will continue to necessitate significant strategic investment in economies of scale, technological innovation, and operational capabilities in line with best practices to stay relevant.

Against this uncertain and highly cyclical macro-economic backdrop, the Offeror, as a financially disciplined and prudent long-term investor, has considered the value and growth prospects of the Company, taking into account the Company's financial performance, net cash position and order book, as well as the potential benefits of the Group's recent Exterran Offshore acquisition.

Considering these factors, the Offeror is of the view that the Final Offer Price is reflective of the acquisition's intrinsic value to the Offeror and may consider other strategic options available to it should the Offer not succeed at this juncture.

With the Offeror's expanded ownership and support, it is envisioned that the Company will have a greater opportunity to grow both within the Singapore energy market and beyond, while maintaining its home-grown identity.

The Offeror is committed to leveraging its unique global scale to foster local market innovation and enhance the Company's reach as a global multi-disciplinary contractor.

9.4 Offeror's intentions in relation to the Company

Please refer to Sections 11 and 12 of the Offer Document for the full text of the Offeror's intentions in relation to the Company, as articulated by the Offeror. A summary is set out below.

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The Offeror intends to undertake a review of the business of the Group following the close of the Offer, with a view to identifying areas in which the strategic direction and operations of the Group can be enhanced, having regard to the Offeror's rationale for the Offer as stated in Section 10 of the Offer Document. It is the intention of the Offeror to ensure continuity of the Group's operations and to lead the Group to further growth and development. The Offeror retains the flexibility at any time to consider any options or opportunities in relation to the Group which may present themselves and which it may regard to be in the interests of the Company.

The Offeror presently has no intention to (a) introduce any major changes to the existing businesses of the Group, (b) re-deploy the fixed assets of the Group, or (c) discontinue the employment of existing employees of the Group, in each case, other than in the ordinary course of business.

Rule 723 of the listing manual of the SGX-ST (the "**Listing Manual**") requires the Company to ensure that at least 10% of the total number of issued Shares is at all times held by the public ("**Free Float Requirement**"). In addition, under Rule 724(1) of the Listing Manual, if the Company fails to satisfy the Free Float Requirement, the Company must, as soon as practicable, announce that fact and the SGX-ST may suspend the trading of all the Shares. Rule 724(2) of the Listing Manual states that the SGX-ST may allow the Company a period of three (3) months, or such longer period as the SGX-ST may agree, to raise the percentage of Shares (excluding Shares held in treasury) in public hands to at least 10%, failing which the Company may be delisted from the SGX-ST. The Offeror does not have any present intention to actively pursue the delisting of the Company from the Mainboard of the SGX-ST. However, in the event that the Free Float Requirement is not satisfied at the close of the Offer, and the trading of Shares on the SGX-ST is suspended pursuant to Rule 724, Rule 1105 or Rule 1303(1) of the Listing Manual, the Offeror has no intention to undertake or support any action for any such trading suspension by the SGX-ST to be lifted. The Offeror reserves the right and discretion, if such event arises, to assess the options available at such time and there is no assurance that the current intention will be carried into effect.

Pursuant to Section 215(1) of the Companies Act 1967 of Singapore (the "**Companies Act**"), if the Offeror receives valid acceptances pursuant to the Offer (or otherwise acquires Shares during the period when the Offer is open for acceptance) in respect of not less than 90% of the total number of issued Shares (other than those already held by the Offeror, its related corporations or their respective nominees and any person or body corporate falling within the meaning of Section 215(9A) of the Companies Act as at the date of the Offer), the Offeror would be entitled to exercise the right to compulsorily acquire all the Shares of Shareholders who have not accepted the Offer as at the point in time when the Offeror's right to compulsory acquisition arises (the "**Dissenting Shareholders**"), at the Final Offer Price. In such event, the Offeror intends to exercise its right to compulsorily acquire all the Offer Shares not acquired under the Offer. The Offeror will then proceed to delist the Company from SGX-ST. The Offeror reserves the right and discretion, if such event arises, to assess the options available and there is no assurance that the current intention will be carried into effect.

Dissenting Shareholders have the right under and subject to Section 215(3) of the Companies Act, to require the Offeror to acquire their Shares at the Final Offer Price in the event that the Offeror, its related corporations or their respective nominees acquire, pursuant to the Offer, such number of Shares which, together with the Shares held by the Offeror, its related corporations or their respective nominees, comprise 90% or more of the total number of issued Shares. Dissenting Shareholders who wish to exercise such right are advised to seek their own independent legal advice.

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10. EVALUATION OF THE OFFER

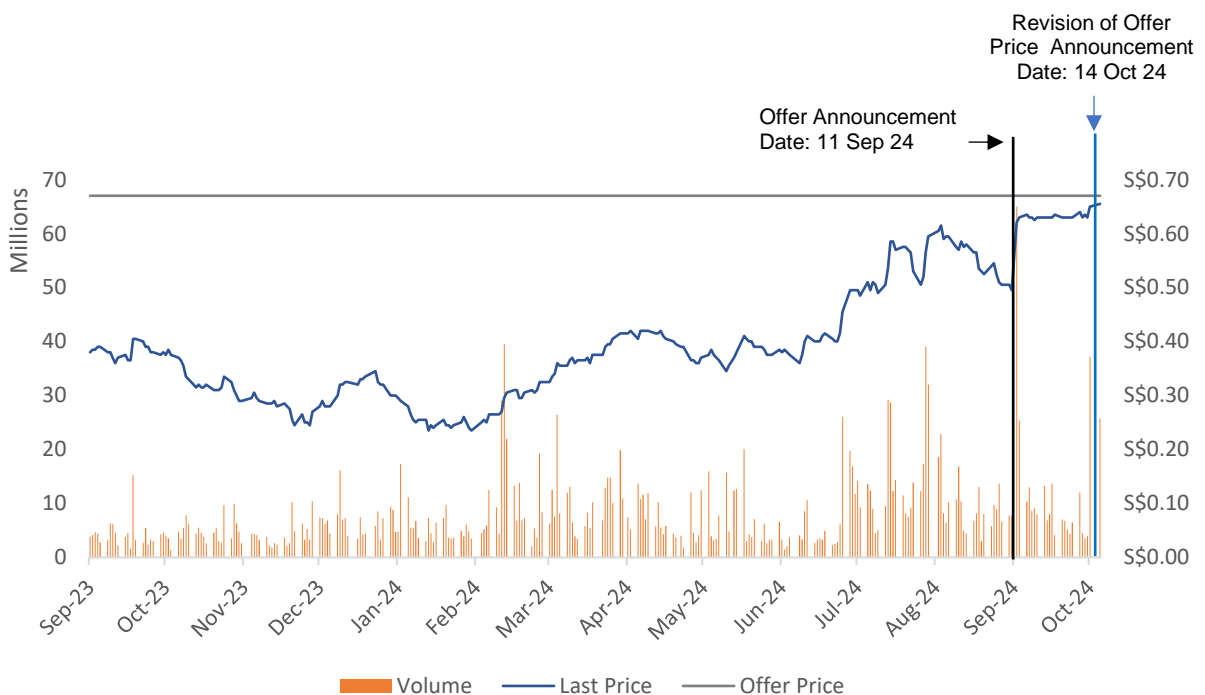
In our evaluation of the Offer, we have given due consideration to, *inter alia*, the following key factors:

- (i) historical Share price performance and trading activity of the Shares;
- (ii) historical financial performance and position of the Group;
- (iii) the Group’s NAV and adjusted net asset value (“**ANAV**”);
- (iv) comparison of valuation statistics of the Company against selected listed comparable companies;
- (v) comparison with recent non-privatisation transactions of companies listed on the SGX-ST;
- (vi) dividend track record of the Company;
- (vii) estimated range of values of the Shares; and
- (viii) other relevant considerations relating to the Offer.

10.1 Historical Share price performance and trading activity of the Shares

We set out below a chart showing the daily closing prices and trading volume of the Shares for the 1-year period from 11 September 2023 to 10 September 2024 (being the Last Trading Day where Shares were traded on SGX-ST prior to the Offer Announcement Date), and up to the Latest Practicable Date.

Daily closing prices and trading volume of the Shares from 11 September 2023 to the Latest Practicable Date (the “Reference Period”)



Source: Bloomberg L.P.

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Notes:

- (1) The spike in trading activity on 22 February 2024 may be attributable to the grant of contingent awards of 5,459,800 Shares pursuant to the DMSAS 2021.
- (2) The increase in share price in April 2024 may generally be due to the announcement made by the Company on 3 April 2024 in relation to the Group achieving S\$896 million record orderbook with new project deliveries stretching to 2026.
- (3) The increase in share price in August 2024 may generally be due to the announcement of the Company's interim results for the six-month period ended 30 June 2024 ("HY2024") on 6 August 2024, where the Company posted a 42.5% and 280.3% increase in revenue and net profit, respectively, compared to previous corresponding interim six-month period ended 30 June 2023 ("HY2023").
- (4) Trading in the Company's Shares were halted with effect from 3.10 p.m. on 11 October 2024 ("Trading Halt"). Subsequent to the release of the Revision of Offer Price Announcement on 14 October 2024, the Trading Halt was lifted before trading hours on 15 October 2024.

From the chart above, we note the following:

- (a) from 11 September 2023 to the Last Trading Day, the daily closing prices of the Shares were in the range of S\$0.235 to S\$0.615. The Final Offer Price represents a premium of 185.11% over the low of S\$0.235 and a premium of 8.94% to the high of S\$0.615;
- (b) the Shares closed at S\$0.495 on the Last Trading Day. The Final Offer Price represents a premium of 35.35% over the closing price of the Shares on the Last Trading Day;
- (c) from the period after the Offer Announcement Date up to and including the Latest Practicable Date, the daily closing prices of the Shares were in the range of S\$0.620 to S\$0.655. The Final Offer Price represents a premium of 8.06% over the low of S\$0.620 and a premium of 2.29% over the high of S\$0.655; and
- (d) as at the Latest Practicable Date, the closing price of the Shares was S\$0.655. The Final Offer Price represents a premium of 2.29% over the closing price of the Shares on the Latest Practicable Date.

In addition, we have set out below additional information on the VWAP, trading liquidity, and other trading statistics of the Shares during the Reference Period:

Description	Highest traded price (S\$)	Lowest traded price (S\$)	Benchmark price (S\$) ⁽¹⁾	Premium/ (Discount) of Final Offer Price over/ (to) benchmark price (%)	Average daily trading volume ⁽²⁾	Average daily trading volume as a percentage of Free Float ⁽³⁾ (%)
<u>Prior to and including the Last Trading Day</u>						
VWAP of the Shares for the 12-month period up to and including the Last Trading Day	0.625	0.235	0.400	67.50	7,475,889	1.92
VWAP of the Shares for the 6-month period up to and including the Last Trading Day	0.625	0.320	0.464	44.40	8,945,389	2.30

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Description	Highest traded price (\$\$)	Lowest traded price (\$\$)	Benchmark price (\$\$) ⁽¹⁾	Premium/ (Discount) of Final Offer Price over/ (to) benchmark price (%)	Average daily trading volume ⁽²⁾	Average daily trading volume as a percentage of Free Float ⁽³⁾ (%)
VWAP of the Shares for the 3-month period up to and including the Last Trading Day	0.625	0.360	0.526	27.38	10,132,689	2.60
VWAP of the Shares for the 1-month period up to and including the Last Trading Day	0.625	0.495	0.565	18.58	9,668,941	2.49
Closing price of the Shares as at the Last Trading Day	0.515	0.495	0.495	35.35	7,734,900	1.99
<u>After the Offer Announcement Date up to and including the Latest Practicable Date</u>						
VWAP of the Shares from 12 September 2024 (being the first traded day after the Offer Announcement Date) up to and including the Latest Practicable Date	0.675	0.600	0.629	6.52	12,073,248	3.10
Closing price of the Shares as at the Latest Practicable Date	0.660	0.650	0.655	2.29	25,718,800	6.61

Source: Bloomberg L.P.

Notes:

- (1) The VWAPs and the closing prices of the Shares are rounded to the nearest three (3) decimal places.
- (2) The average daily trading volume of the Shares was computed based on the total volume of the Shares traded on SGX-ST during the relevant periods, divided by the number of days when the SGX-ST was open for trading during the relevant periods.
- (3) Free float refers to the Shares other than those held by the Directors, Chief Executive Officer, substantial shareholders or controlling shareholders of the Company or its subsidiaries, and their respective associates (as defined in the Listing Manual). For the purpose of computing the average daily trading volume as a percentage of free float, we have used a free float of 389,002,050 Shares or 32.48% of the issued Shares of the Company as at the Latest Practicable Date ("**Free Float**").

From the table above, we note the following:

Period prior to and including the Last Trading Day

- (a) the Final Offer Price represents premia of approximately 67.50%, 44.40%, 27.38% and 18.58% over the respective VWAPs of the Shares for the 12-month, 6-month, 3-month and 1-month periods prior to and including the Last Trading Day;

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- (b) the Final Offer Price represents a premium of approximately 35.35% over the closing price of the Shares on the Last Trading Day;
- (c) the Final Offer Price represents a premium of 7.20% over the highest traded prices of the Shares during the 12-month, 6-month, 3-month and 1-month periods prior to and including the Last Trading Day. Further, the Final Offer Price represents a premium of 30.10% over the highest traded price of the Shares on the Last Trading Day;
- (d) the Shares were not actively traded during the Reference Period. The average daily trading volume of the Shares during the 12-month, 6-month, 3-month and 1-month periods prior to and including the Last Trading Day were in the range of 1.92% to 2.60% of the Free Float; and
- (e) the average daily trading volume of the Shares represented 1.99% of the Free Float on the Last Trading Day.

Period after the Offer Announcement Date up to and including the Latest Practicable Date

- (a) the Final Offer Price represents a premium of approximately 6.52% over the VWAP of the Shares for the period from 12 September 2024 (being the first traded day after the Offer Announcement Date) up to and including the Latest Practicable Date;
- (b) the Final Offer Price represents a discount of approximately 0.74% to the highest traded price of the Shares of S\$0.675 for the period from 12 September 2024 (being the first traded day after the Offer Announcement Date) up to and including the Latest Practicable Date;
- (c) the Final Offer Price represents a premium of approximately 2.29% over the closing price of the Shares of S\$0.655 on the Latest Practicable Date;
- (d) the average daily traded volume of the Shares represents 3.10% of the Free Float for the period from 12 September 2024 (being the first traded day after the Offer Announcement Date) up to and including the Latest Practicable Date; and
- (e) the average daily traded volume of the Shares represents 6.61% of the Free Float on the Latest Practicable Date.

Based on the above observations, we note that the Shares had traded at a highest price of S\$0.675 subsequent to the Offer Announcement Date up to and including the Latest Practicable Date, but closing prices during this period were below the Final Offer Price. We also noted that trading volume was generally higher than the periods prior to the Offer Announcement Date.

We wish to highlight that the above analysis on the historical trading performance of the Shares serves only as an illustrative guide. **There is no assurance that the market price and trading volume of the Shares will be maintained at the level prevailing as at the Latest Practicable Date after the close or lapse of the Offer. Shareholders are advised that the past trading performance of the Shares should not, in any way, be relied upon as an indication or promise of its future trading performance.**

10.2 Historical financial performance and position of the Group

A summary of the consolidated statements of comprehensive income, statements of financial position and statements of cash flows of the Group for financial years (“FY”) ended 31 December 2021, 31 December 2022 and 31 December 2023, and HY2023 and HY2024 (collectively, the “**Period Under Review**”) is set out below. The following summary financial information should be read in conjunction with the Company’s annual reports for FY2021, FY2022 and FY2023, and

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the Company's financial results announcement for HY2024, including the notes and commentaries thereto.

10.2.1 Historical financial performance of the Group

We set out below a summary of the financial performance of the Group for the Period Under Review:

(\$'000)	HY2024	HY2023	FY2023	FY2022	FY2021
	(Unaudited)	(Unaudited)	(Audited)	(Audited)	(Audited)
Revenue	259,728	182,259	385,171	291,473	220,210
Gross profit	71,698	24,610	50,091	31,623	22,306
<i>Gross profit margin</i>	27.61%	13.50%	13.00%	10.85%	10.13%
Net profit	38,790	10,200	28,691	13,405	5,617
Profit attributable to equity holders of the Company	38,773	10,101	28,488	13,068	5,477
<i>Net profit margin⁽¹⁾</i>	14.93%	5.54%	7.40%	4.48%	2.49%

Source: The Company's annual reports for FY2021, FY2022 and FY2023 and the Company's financial results announcement for HY2024 released on SGXNet.

Note:

- (1) Computed based on the profit attributable to equity holders of the Company over the revenue for the respective periods.

FY2022 vs FY2021

The Group's revenue increased S\$71.26 million or 32.36% from S\$220.21 million in FY2021 to S\$291.47 million in FY2022. The increase was mainly due to higher progress achieved for the projects carried out during FY2022. Gross profit increased by S\$9.32 million from S\$22.31 million in FY2021 to S\$31.62 million in FY2022 due to higher revenue recognized coupled with higher profit margin achieved in FY2022.

Overall, the Group reported profit attributable to equity holders of the Company of S\$13.07 million for FY2022, representing an increase of S\$7.59 million or 138.60% as compared to the profit attributable to equity holders of the Company of S\$5.48 million for FY2021, due to higher gross profit for FY2022, which was partially offset by lower other income, higher other expenses and higher administrative expenses in FY2022.

FY2023 vs FY2022

The Group's revenue increased by S\$93.70 million or 32.15% to S\$385.17 million in FY2023, compared to S\$291.47 million in FY2022. The upswing in revenue was mainly attributed to higher progressive recognition from projects executed in FY2023.

Gross profit increased by S\$18.47 million from S\$31.62 million in FY2022 to S\$50.09 million in FY2023. The boost in gross profit is mainly driven by higher revenue and improved profit margins in FY2023.

The Group's profit attributable to equity holders of the Company increased by S\$15.42 million or 118.00% from S\$13.07 million in FY2022 to S\$28.49 million in FY2023. The higher profitability was due to better utilisation of capacity by intensifying land use, improved productivity and tighter cost control.

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HY2024 vs HY2023

The Group's revenue increased by S\$77.47 million or 42.50% from S\$182.26 million in HY2023 to S\$259.73 million in HY2024. This was mainly due to completion of major projects during HY2024 when compared to HY2023.

The Group's gross profit also increased by S\$47.09 million to S\$71.70 million in HY2024, compared to S\$24.61 million in HY2023. The increase in gross profit is mainly driven by higher revenue and improvement in productivity in HY2024.

The Group's profit attributable to equity holders of the Company increased by S\$28.67 million or 283.85% from S\$10.10 million in HY2023 to S\$38.77 million in HY2024. The higher profit attributable to equity holders of the Company was achieved through completion of major projects, improved productivity and increase in volume of projects undertaken.

Orderbook

The Group's orderbook has been on an increasing trend over the Period Under Review, amounting to approximately S\$370.8 million as at 31 December 2021, S\$412.3 million as at 31 December 2022, S\$438.2 million as at 31 December 2023 and S\$681.3 million as at 30 June 2024.

10.2.2 Historical financial position of the Group

We set out below a summary of the financial position of the Group as at 31 December 2023 and 30 June 2024:

(\$'000)	As at 30 June 2024	As at 31 December 2023
	(Unaudited)	(Audited)
Non-current assets	89,961	89,156
Current assets	381,337	255,979
Total assets⁽¹⁾	471,298	345,135
Non-current liabilities	49,424	45,813
Current liabilities	319,117	229,033
Total liabilities	368,541	274,846
Capital and reserves attributable to equity holders of the Company (" Net assets ")	102,364	69,898
Non-controlling interests	393	391
Total equity	102,757	70,289
Number of issues Shares ('000)	1,045,644	1,036,924
Net asset value per Share (in S\$ cents)	9.79	6.74

Source: The Company's annual report for FY2023 and the Company's financial results announcement for HY2024 released on SGXNet.

Note:

(1) Total assets of the Group as at 31 December 2023 and 30 June 2024 comprised:

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(\$'000)	As at 30 June 2024 (Unaudited)	As at 31 December 2023 (Audited)
<u>Current assets</u>		
Cash and cash equivalents	267,810	216,103
Trade and other receivables	38,582	37,875
Contract assets	33,309	1,029
Other current assets	41,636	972
	381,337	255,979
<u>Non-current assets</u>		
Investment in an associate	539	393
Property, plant and equipment	39,486	28,064
Right-of-use assets	49,638	45,722
Other non-current assets	-	7,909
Deferred tax assets	298	7,068
	89,961	89,156
Total assets	471,298	345,135

As at 30 June 2024, the Group recorded total assets of S\$471.30 million, comprising non-current assets of S\$89.96 million (amounting to 19.09% of total assets) and current assets of S\$381.34 million (amounting to 80.91% of total assets). The Group's total assets increased by S\$126.16 million or 36.55% from S\$345.14 million as at 31 December 2023 to S\$471.30 million as at 30 June 2024 primarily due to:

- (i) higher cash and cash equivalents due to higher advance collections from the Group's projects;
- (ii) an increase in contract assets due to higher project progress achieved during the HY2024;
- (iii) an increase in other current assets due to investment in Singapore Treasury bills; and
- (iv) an increase in right-of-use assets and property, plant and equipment arising from the acquisition of 100% of the issued share capital of Dyna-Mac Solutions Pte. Ltd. (formerly known as Exterran Offshore Pte. Ltd.) which was completed on 3 January 2024.

In addition to the cash and cash equivalents, the Group also holds Singapore Treasury bills amounting to S\$39.89 million as at 30 June 2024. Assuming (i) the full redemption of Singapore Treasury bills upon maturity, and (ii) the proceeds arising from the exercise of 152,052,375 Warrants from 1 July 2024 up to the Latest Practicable Date, the Group's total adjusted cash and cash equivalents will stand at S\$330.50 million, which translates into approximately S\$0.28 per Share based on 1,197,696,175 Shares as at the Latest Practicable Date ("**Adjusted Cash per Share**"). Assuming (i) the full redemption of Singapore Treasury bills upon maturity, and (ii) the proceeds arising from the full exercise of all outstanding Warrants, the Group's total adjusted cash and cash equivalents will stand at S\$338.80 million, which translates into approximately S\$0.27 per Share based on the Enlarged Share Capital ("**Diluted Cash per Share**").

As at 30 June 2024, the Group recorded total liabilities of S\$368.54 million, comprising non-current liabilities of S\$49.42 million (amounting to 13.41% of total liabilities) and current liabilities of S\$319.12 million (amounting to 86.59% of total liabilities). The Group's total liabilities increased by S\$93.70 million or 34.09% from S\$274.85 million as at 31 December 2023 to S\$368.54 million as at 30 June 2024 primarily due to:

- (i) higher trade and other payables recorded in line with higher progress achieved for the Group's projects; and
- (ii) higher contract liabilities due to increase in advanced billings to customers.

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The Group recorded working capital of S\$62.22 million, with a current ratio of 1.19 times, and net assets attributable to equity holders of the Company of S\$102.36 million as at 30 June 2024.

10.2.3 Historical statement of cash flows

(S\$'000)	HY2024	FY2023	FY2022	FY2021
	(Unaudited)	(Audited)	(Audited)	(Audited)
Net cash from operating activities	107,511	49,359	88,568	63,638
Net cash from/(used in) investing activities	(47,772)	(11,667)	(2,176)	218
Net cash used in financing activities	(11,171)	(6,176)	(7,139)	(4,222)
Net increase in cash and cash equivalents	48,568	31,516	79,253	59,634
Cash and cash equivalents at end of financial year/ period	267,810	216,103	185,432	106,340

Source: The Company's annual reports for FY2021, FY2022 and FY2023, and the Company's financial results announcement for HY2024 released on SGXNet.

Net cash from operating activities of S\$107.51 million for HY2024 arose mainly from the cash flows from operating activities before changes in working capital of S\$51.71 million, cash inflow from working capital of S\$52.06 million, and interest received of S\$3.74 million.

Net cash used in investing activities of S\$47.77 million for HY2024 was mainly attributed to (i) investment in Singapore Treasury bills of S\$39.31 million, and (ii) additions to property, plant and equipment of S\$8.82 million.

Net cash used in financing activities of S\$11.17 million for HY2024 was mainly attributed to (i) dividends paid to equity holders of the Company of S\$8.68 million, (ii) interest expense paid of S\$1.36 million, and (iii) payment of principal portion of lease liabilities of S\$1.13 million.

The Group's cash and cash equivalents stood at S\$267.81 million as at 30 June 2024, taking into account an increase in cash and cash equivalents of S\$51.71 million since the beginning of HY2024.

10.3 The Group's NAV and ANAV

Taking into consideration the following:

- (i) exercise of 152,052,375 Warrants from 1 July 2024 up to the Latest Practicable Date; and
- (ii) assuming the full exercise of 55,332,460 outstanding Warrants as at the Latest Practicable Date into new Shares;

the Group's NAV and Diluted NAV is set out as follows:

NAV as at 30 June 2024 (S\$'000)	102,364
Add: Proceeds arising from the exercise of Warrants up to the Latest Practicable Date ⁽¹⁾	22,808
NAV as at Latest Practicable Date (S\$'000)	125,172
NAV per Share⁽²⁾ (S\$)	0.105
Add: Proceeds assuming the full exercise of all outstanding Warrants ⁽³⁾	8,300
Diluted NAV (S\$'000)	133,472
Diluted NAV per Share⁽⁴⁾ (S\$)	0.107

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Notes:

- (1) Based on 152,052,375 Warrants exercised into new Shares from 1 July 2024 until the Latest Practicable Date at an exercise price of S\$0.15 per Warrant.
- (2) Based on the issued share capital of 1,197,696,175 Shares as at the Latest Practicable Date.
- (3) Assuming the full exercise of 55,332,460 outstanding Warrants as at the Latest Practicable Date at an exercise price of S\$0.15 per Warrant which is significantly in the money.
- (4) Based on the Enlarged Share Capital of 1,253,028,635 Shares assuming the exercise of all outstanding Warrants held as at the Latest Practicable Date.

The Final Offer Price of S\$0.67 represents (a) a premium of approximately 538.10% to the NAV per Share of S\$0.105, and (b) a premium of approximately 526.17% to the Diluted NAV per Share of S\$0.107.

For the avoidance of doubt, we have not considered the dilutive impact arising from the vesting of the outstanding Awards as (i) 4,972,700 Awards (which include 1,129,000 Awards held by Mr. Lim Ah Cheng) will only be released in tranches in 2025, subject to the assessment and fulfilment of prescribed performance targets, and (ii) 2,728,500 Awards held by Mr. Lim Ah Cheng for which the prescribed performance targets have been fulfilled will only be vested in 2025 unless the Offer becomes or is declared unconditional and provided the Offeror becomes entitled or bound to exercise rights of compulsory acquisition under the provisions of the Companies Act. In such event, the vesting of such 2,728,500 Awards will be the earlier of 6 months thereafter or the date of expiry of the period for which the specified performance targets are to be fulfilled.

10.3.1 Revaluation of the properties of the Group

Based on the latest unaudited financial statements of the Group for HY2024, we note that the Group's non-current assets primarily comprised property, plant and equipment ("**PPE**") (such as buildings, workshops, yard, warehouses and open fabrication area) and right-of-use ("**ROU**") assets. A summary of the Group's non-current assets is set out in the above Section 10.2.2 of this IFA Letter.

In connection with the Offer, the Company has commissioned the Independent Valuer to undertake the Independent Valuation of the Revalued Properties (as defined herein) of the Group as at the valuation date of 1 October 2024. For further information, please refer to the details of the Summary Valuation Report as set out in Appendix VI of the Circular.

The Independent Valuation is conducted according to the Singapore Institute of Surveyors and Valuers guidelines which supports the definition of market value as follows: "*Market Value is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.*" This definition of market value is also consistent with that as advocated by the Royal Institution of Chartered Surveyors Standards and Guidelines and International Valuation Standards Council.

We recommend the Independent Directors to advise Shareholders to read the Valuation Report carefully, in particular, the terms of reference, key assumptions and critical factors. Copies of the Valuation Report will be available for inspection at the registered address of the Company at 59 Gul Road, Singapore 629354 during normal business hours for the period during which the Offer remains open for acceptance.

Based on the net book value of the Revalued Properties as at 30 June 2024 and the corresponding market value as at 1 October 2024 based on the Valuation Report, the revaluation surplus in respect of the Revalued Properties is as follows:

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Revalued Properties	Valuation methodologies ⁽¹⁾	Total net book value as at 30 June 2024 (S\$'000)		Total market value based on the Valuation Report (S\$'000)	Total Revaluation surplus ⁽²⁾ (S\$'000)
		PPE	ROU		
(i) Warehouse, workshop, office building, and yard located at 31 Gul Road, Singapore 629358, 33 Gul Road, Singapore 629359, 45 Gul Road, Singapore 629350 and 59 Gul Road, Singapore 629354	Direct comparison method as the primary method, and income capitalisation method / cost method as a check	32,391	49,553	91,500	9,556
(ii) Workshop and yard located at 13 Pandan Crescent, Singapore 128469					
(iii) Open fabrication area, located at 35 Pioneer Road, Singapore 628503					
(iv) Workshop, offices and yard located at 49 Gul Road, Singapore 629360					

Source: Valuation Report and Management

Notes:

- (1) The valuation methodologies adopted by the Independent Valuer are as follows:

Direct comparison method

In this method, a comparison is made with sales of comparable properties in the subject or comparable vicinities. Adjustments are made for differences in location, tenure, age/condition, size, type, approved use, standard of building services and facilities provided, and date of sale, etc. before arriving at the market values of the properties.

Income capitalisation method

Under this approach, the Independent Valuer has considered the recent rent evidence for similar properties available from various sources in the market. The estimated market net income is capitalised at an appropriate market capitalisation rate which reflects both the risk and benefits of the properties as an investment.

Cost method

This method is essentially premised on the assumption that cost equals to value whereby the value of improvements is added to the value of the land (if any). It is usually used to determine the base value of the property and is generally used for properties that are specialized with few or no market transactions.

- (2) The surplus is calculated as the difference between the market value of the Revalued Properties in their existing state on 1 October 2024 as appraised by the Independent Valuer, and their corresponding net book value as at 30 June 2024.

Under Rule 26.3 of the Code, the Company is required, *inter alia*, to make an assessment of any potential tax liabilities which would arise if the properties, which are the subject of a valuation given in connection with the Offer, were to be sold at the amount of the valuation, accompanied by an appropriate comment as to the likelihood of any such liability crystallising.

The Directors and Management of the Company do not expect any potential tax liability on the net revaluation surplus arising from the Independent Valuation of the Revalued Properties in a hypothetical scenario where the Revalued Properties are sold at the market values ascribed in the Valuation Report as there is no capital gains tax in Singapore. As at the Latest Practicable

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Date, the Company has no existing plan to sell the Revalued Properties as they are part of its core business operations.

10.3.2 ANAV of the Group

Based on the above, we set out below the adjustments which are made to the NAV and Diluted NAV of the Group to determine the ANAV and Diluted ANAV:

Estimated ANAV of the Group	(S\$'000)
The Group's NAV ⁽¹⁾	125,172
Add: Revaluation surplus in respect of the Revalued Properties	9,556
ANAV of the Group	134,728
No. of Shares outstanding as at the Latest Practicable Date	1,197,696,175
ANAV per Share (S\$)	0.112
Premium of the Final Offer Price over the ANAV per Share (%)	498.21%
Price-to-ANAV ratio ("P/ANAV") as implied by the Final Offer Price (times)	5.98

Estimated Diluted ANAV of the Group	(S\$'000)
The Group's Diluted NAV ⁽²⁾	133,472
Add: Revaluation surplus in respect of the Revalued Properties	9,556
Diluted ANAV of the Group	143,028
No. of Shares outstanding assuming full exercise of the Warrants	1,253,028,635
Diluted ANAV per Share (S\$)	0.114
Premium of the Final Offer Price over the Diluted ANAV per Share (%)	487.72%
Price-to-Diluted ANAV ratio ("P/Diluted ANAV") as implied by the Final Offer Price (times)	5.88

Source: Valuation Report and Management

Notes:

- (1) The Group's NAV as at the Latest Practicable Date is based on the Group's NAV as at 30 June 2024 taking into consideration the exercise of the Warrants from 1 July 2024 up to the Latest Practicable Date. Please refer to Section 10.3 of the IFA Letter.
- (2) The Group's Diluted NAV as at the Latest Practicable Date is based on the Group's NAV as at 30 June 2024 assuming the full exercise of all outstanding Warrants as at the Latest Practicable Date. Please refer to Section 10.3 of the IFA Letter.

Shareholders should note that the above analysis on the ANAV provides an estimate of the value of the Group assuming the hypothetical sales of the Group's assets as at the Latest Practicable Date. Such a hypothetical scenario is assumed to be made without considering factors such as, *inter alia*, time value of money, market conditions, professional fees, liquidation costs, contractual limitations and obligations, any other regulatory requirements and availability of potential buyers, which may in theory, alter the ANAV that can be realised. Shareholders should be aware that the properties of Group are initially recorded at cost and carried at cost less accumulated depreciation and accumulated impairment losses in the Group's financial statements, and the Group has not realised any loss or gain as set out in the adjustments to the NAV as at the Latest Practicable Date. There is no assurance that the actual loss or gain (if any) eventually recorded by the Group will be the same as that derived from the assessments made in this IFA Letter, which were based on, *inter alia*, the current market value, the Independent Valuation and the Management's estimates of the relevant assets.

In our assessment of the financial terms of the Offer, we have also considered whether there are any other assets which should be valued at an amount that is materially different from that which

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was recorded in the statement of financial position of the Group as at 30 June 2024 and whether there are any factors which have not been otherwise disclosed in the financial statements of the Group that are likely to impact the NAV of the Group as at 30 June 2024.

Save as disclosed in this IFA Letter, the Circular and the unaudited financial statements of the Group as at 30 June 2024, the Directors and Management have confirmed to us that, to the best of their knowledge and belief, as at the Latest Practicable Date:

- (i) there are no material events that have or will likely have a material impact to the financial position of the Group since 30 June 2024;
- (ii) there are no other contingent liabilities, unrecorded earnings or expenses, or bad or doubtful debts or material events which are likely to have a material impact on the NAV of the Group as at 30 June 2024;
- (iii) there is no litigation, claim or proceeding pending or threatened against the Company and any of its subsidiaries or of any fact likely to give rise to any proceeding which might materially and adversely affect the financial position of the Group taken as a whole as at 30 June 2024;
- (iv) there are no material acquisitions or disposals of assets by the Group between 30 June 2024 and the Latest Practicable Date, and the Group does not have any plans for such impending material acquisition or disposal of assets, conversion of the use of its material assets or material changes in the nature of the Group's business; and
- (v) there are no material changes to the accounting policies and methods of computation which may materially affect the NAV of the Group as at 30 June 2024.

10.4 Comparison of valuation statistics of the Company against selected listed comparable companies

Based on discussions with the Management, we understand that companies which are publicly listed and fairly comparable with the Group are BOMESC Offshore Engineering Company Limited (“**BOMESC**”) and Penglai Jutal Offshore Engineering Heavy Industries Co., Ltd., which is a subsidiary within the Jutal Offshore Oil Services Limited (“**Jutal Offshore**”) group of companies.

For the purpose of assessing the financial terms of the Offer, we have also considered other publicly listed companies with a market capitalisation of above S\$200 million as at the Latest Practicable Date, which revenue is primarily derived from the provision of engineering, procurement and construction services, and other related services, for the oil and gas and marine industry, as such companies can be considered as broadly comparable with the Group and are reasonable proxies for the industry in which the Group operates. These selected companies, together with BOMESC and Jutal Offshore, shall hereinafter be referred to as the “**Comparable Companies**”.

Relevant information has been extracted from Bloomberg L.P., publicly available annual reports and/or public announcements of the Comparable Companies. We make no representations or warranties, expressed or implied, as to the accuracy or completeness of such information.

We wish to highlight that the list of Comparable Companies is not exhaustive and it should be noted that there is no listed company that is directly comparable with the Group in terms of, *inter alia*, scope of business activities, business model, customer base, size of operations, asset base, geographical markets of activities, track record, financial performance and position, operating and financial leverage, future prospects, liquidity, quality of earnings, accounting policies, risk profile and other relevant criteria. We also wish to highlight that many of the Comparable Companies are listed on different stock exchanges. Hence, any comparison made herein is necessarily limited and serves only as an illustrative guide, and any conclusion drawn from the

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comparison may not necessarily reflect the perceived or implied market valuation (as the case may be) of the Group as at the Latest Practicable Date.

A brief description of the selected Comparable Companies is set out below:

Name of Comparable Company	Listing location	Business Activities / Description
Seatrium Ltd ("Seatrium")	SGX-ST	Seatrium offers engineering solutions for the offshore, marine, and energy industries. The company provides rigs and floaters, repairs and upgrades, offshore platforms, and specialized shipbuilding. Seatrium serves customers worldwide. Based in Singapore, Seatrium operates shipyards, engineering and technology centers, and facilities in Singapore, Brazil, China, India, Indonesia, Japan, Malaysia, the Philippines, Norway, the United Arab Emirates, the UK, and the US.
NMDC Energy PJSC ("NMDC")	Abu Dhabi Securities Exchange First Market	NMDC operates as an engineering, procurement, and construction ("EPC") company. The company offers EPC services in the development of offshore and onshore oil and gas fields. NMDC serves clients in the energy industry worldwide.
Offshore Oil Engineering Co., Ltd. ("Offshore Oil")	Shanghai Stock Exchange	Offshore Oil provides offshore oil engineering services, including designing, construction, installation, and repair and maintenance services. The company's main businesses include oil/gas exploration engineering, subsea pipeline laying, oil/gas field equipment testing and maintenance, as well as pressure container and steel structure manufacturing. The company designs and builds offshore platforms; underwater pipelines; floating production, storage, and offloading (FPSO) vessels; and onshore terminals for the oil and gas industry.
BOMESC Offshore Engineering Company Limited	Shanghai Stock Exchange	BOMESC operates as a contractor. The company offers engineering, procurement, and construction services for offshore oil and gas, liquefied natural gas ("LNG"), and mining projects. BOMESC conducts its business worldwide.
Jutal Offshore Oil Services Limited	Stock Exchange of Hong Kong	Jutal Offshore provides technical support services in offshore oil and natural gas exploration and production. The company also designs, fabricates and sells oil and natural gas processing skid equipment.
Malaysia Marine and Heavy Engineering Holdings Bhd ("Malaysia Marine")	Bursa Malaysia	Malaysia Marine provides solutions for the oil and gas sector. The company's activities include a full range of construction and engineering services, including building and installing offshore structures, marine repair of vessels including large LNG and liquefied petroleum gas carriers and tankers, and marine conversion of vessels.
Rosetti Marino SpA ("Rosetti Marino")	Borsa Italiana	Rosetti Marino offers engineering and construction services. The company designs and builds offshore oil platforms, ships, columns, fluid tanks, pipe-work, heat recovery and steam generators, and oil treatment and separation, fluids metering, chemicals injection, water treatment, gas compression, and power generation plants.

Source: Bloomberg L.P.

We have used the following valuation measures in our analysis:

Valuation Measure	Description
Price-to-earnings Ratio ("P/E")	This ratio is computed by dividing the market capitalisation of a company by its trailing 12-month earnings attributable to shareholders.

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Valuation Measure	Description
	The P/E is affected by, <i>inter alia</i> , the capital structure of a company, its tax position as well as its accounting policies relating to among others, depreciation and amortisation.
Enterprise value-to-earnings before interest, tax, depreciation and amortisation expenses (“EV/EBITDA”)	<p>EV or enterprise value is the sum of the company’s market capitalisation, preferred equity, perpetual bonds, minority interests, short and long term debt (inclusive of finance leases) less its cash and cash equivalents. EBITDA refers to the historical consolidated earnings before interest, tax, depreciation and amortisation, inclusive of the share of associates’ and joint ventures’ income.</p> <p>EBITDA can be used to analyse the profitability between companies as it eliminates the effects of financing and accounting policy decisions. The historical EV/EBITDA ratio illustrates the market value of a company’s business relative to its historical consolidated pre-tax operating cash flow performance, and provides an indication of current market valuation relative to operating performance. Unlike the P/E ratio, the EV/EBITDA ratio does not take into account the capital structure of a company, its interest, taxation, depreciation and amortisation expenses.</p>
Price-to-NAV ratio (“P/NAV”)	<p>This ratio illustrates the market price of a company’s shares relative to the NAV per share.</p> <p>The NAV is defined as total assets less total liabilities, and excludes, where applicable, minority or non-controlling interests.</p> <p>The NAV figure provides an estimate of the value of a company assuming the hypothetical sale of all its assets at its book value and repayment of its liabilities and obligations, with the balance available for distribution to its shareholders.</p> <p>It is an asset-based valuation methodology and this approach is meaningful to the extent that it measures the value of each share that is attached to the net assets of the company.</p> <p>Comparisons of companies using NAV are affected by differences in their respective accounting policies, in particular their depreciation and asset valuation policies.</p>
Price-to-net tangible assets ratio (“P/NTA”)	<p>The P/NTA ratio is the ratio of the relevant prices of the shares to the net tangible asset value (“NTA”) of the relevant companies. It is an asset-based valuation methodology that illustrates the ratio of the current market valuation of a company relative to its tangible asset backing as measured in terms of its NTA value.</p> <p>The NTA of a company provides an estimate of its value assuming a hypothetical sale of all its tangible assets, the proceeds of which are first used to repay the liabilities and obligations of that company with the balance available for distribution to its shareholders. The NTA-based approach is widely used for valuing the shares of property-based companies as their tangible asset backings are perceived as providing support for the value of their shares.</p>

The following table sets out the salient ratios for comparative financial performance and position of the Comparable Companies and the Company:

Comparable Company	Return on equity ⁽¹⁾ (%)	Return on assets ⁽²⁾ (%)	Net profit margin ⁽³⁾ (%)	Asset turnover ⁽⁴⁾ (times)	Debt-to-equity ⁽⁵⁾ (times)	Current ratio ⁽⁶⁾ (times)
Seatrium	n.m. ⁽⁷⁾	n.m. ⁽⁷⁾	n.m. ⁽⁷⁾	0.47	0.62	1.09
NMDC	23.82	7.05	9.75	0.72	0.26	1.17

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Comparable Company	Return on equity⁽¹⁾ (%)	Return on assets⁽²⁾ (%)	Net profit margin⁽³⁾ (%)	Asset turnover⁽⁴⁾ (times)	Debt-to-equity⁽⁵⁾ (times)	Current ratio⁽⁶⁾ (times)
Offshore Oil	7.24	4.09	6.17	0.66	0.06	1.55
BOMESC	1.84	1.27	3.00	0.42	0.06	2.43
Jutal Offshore	16.46	10.71	11.91	0.90	0.09	1.71
Malaysia Marine	n.m. ⁽⁷⁾	n.m. ⁽⁷⁾	n.m. ⁽⁷⁾	0.97	0.34	0.92
Rosetti Marino	6.68	1.98	2.51	0.87	0.48	3.45
Maximum	23.82	10.71	11.91	0.97	0.62	3.45
Mean	11.21	5.02	6.67	0.72	0.27	1.76
Median	7.24	4.09	6.17	0.72	0.26	1.55
Minimum	1.84	1.27	2.51	0.42	0.06	0.92
Company	55.84	15.56	12.36	1.26	0.51	1.19

Notes:

- (1) Return on equity (“ROE”) is based on the trailing 12-month profit attributable to owners of the respective companies (“T12M PAT”) over the total shareholders’ equity attributable to owners of the respective companies.
- (2) Return on assets (“ROA”) is based on the T12M PAT over the average total assets of the respective companies.
- (3) Net profit margin is computed based on the T12M PAT over the trailing 12-month revenue (“T12M Revenue”) of the respective companies.
- (4) Asset turnover ratio is computed based on the T12M Revenue over the average total assets of the respective companies.
- (5) Debt-to-equity ratio is computed based on the total borrowings (including lease liabilities) over the total shareholders’ equity attributable to owners of the respective companies.
- (6) Current ratio is based on the current assets over the current liabilities of the respective companies.
- (7) Not meaningful as the Comparable Company was in a net loss position for the trailing 12-month period based on its latest announced annual report or financial results.

Based on the above, we note that:

- (i) the Group’s ROE of 55.84% is significantly above the range of ROE of the Comparable Companies (not taking into consideration Seatrium and Malaysia Marine which were loss making for their trailing 12-month periods);
- (ii) the Group’s ROA of 15.56% is above the range of ROA of the Comparable Companies (not taking into consideration Seatrium and Malaysia Marine which were loss making for their trailing 12-month periods);
- (iii) the Group’s net profit margin of 12.36% is above the range of net profit margin of the Comparable Companies (not taking into consideration Seatrium and Malaysia Marine which were loss making for their trailing 12-month periods);
- (iv) the Group’s asset turnover ratio of 1.26 times is above the range of asset turnover ratios of the Comparable Companies;
- (v) the Group’s debt-to-equity ratio of 0.51 time is within the range of, and above the mean and median debt-to-equity ratios of the Comparable Companies; and
- (vi) the Group’s current asset ratio of 1.19 times is within the range of, and below the mean and median current asset ratios of the Comparable Companies.

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The Group's ROE, ROA and financial performance (in terms of net profit margin) as highlighted in the table above, appear to be stronger than the Comparable Companies. Further, the Group's asset turnover ratio is higher than the Comparable Companies, indicating that the Group's business operations are more asset-light in comparison. The Group's debt-to-equity ratio and current ratio are comparable to the Comparable Companies. We wish to highlight that the Group's debt-to-equity ratio arose solely from its lease obligations in connection with its yard facilities, which amounted to S\$51.78 million as at 30 June 2024. Apart from these lease liabilities, the Group has no other borrowings as at 30 June 2024.

The following table sets out the valuation statistics of the Company (as implied by the Final Offer Price) with those of Comparable Companies:

Comparable Company	Market capitalisation ⁽¹⁾ (S\$'million)	P/E ⁽²⁾ (times)	EV/EBITDA ⁽²⁾ (times)	P/NAV ⁽²⁾ (times)	P/NTA ⁽²⁾ (times)
Seatrium	6,722.29	n.m. ⁽³⁾	n.m. ⁽³⁾	1.06	3.06
NMDC	5,344.93	14.43	10.72	3.44	3.44
Offshore Oil	4,416.39	13.09	5.86	0.95	1.04
BOMESC	564.85	52.22 ⁽⁴⁾	11.65	0.96	1.11
Jutal Offshore	226.29	3.39 ⁽⁴⁾	0.76 ⁽⁴⁾	0.56	0.57
Malaysia Marine	220.98	n.m. ⁽³⁾	12.02	0.54	0.54
Rosetti Marino	236.45	19.63	5.23	1.31	1.33
Maximum		19.63	12.02	3.44	3.44
Mean		15.72	9.10	1.26	1.58
Median		14.43	10.72	0.96	1.11
Minimum		13.09	5.23	0.54	0.54
Company (as implied by the Final Offer Price)	802.46	14.04⁽⁵⁾	7.88⁽⁶⁾	P/ANAV: 5.98⁽⁷⁾	P/NTA: 5.98⁽⁷⁾
		Diluted P/E: 14.69⁽⁵⁾	Diluted EV/EBITDA: 8.32⁽⁶⁾	P/Diluted ANAV: 5.88⁽⁷⁾	P/Diluted NTA: 5.88⁽⁷⁾

Source: Bloomberg L.P., annual reports and latest publicly available financial information of the Comparable Companies as at the Latest Practicable Date

Notes:

- (1) Market capitalisation for the Comparable Companies is based on the outstanding number of shares (excluding treasury shares) and the closing price of the company's shares as at the Latest Practicable Date, or the last closing price if there are no trades on the Latest Practicable Date, as extracted from Bloomberg L.P.. Market capitalisation for the Company is based on the Final Offer Price and the total outstanding Shares as at the Latest Practicable Date.
- (2) The ratios of the Comparable Companies are computed based on their respective annual reports and/or latest announced results of the Comparable Companies as at the Latest Practicable Date.
- (3) Not meaningful as the Comparable Company was in a net loss and/or negative EBITDA position for the trailing 12-month period based on its latest announced annual reports or financial results.
- (4) Considered as outliers and excluded for the purposes of calculating the respective maximum, mean, median and minimum P/E and EV/EBITDA multiples.
- (5) The Company's P/E is computed based on the market capitalisation of the Company as at the Latest Practicable Date and the Group's T12M PAT. The diluted P/E is computed based on the Enlarged Share Capital of the Company and the Group's T12M PAT ("**Diluted P/E**").

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- (6) The Company's EV/EBITDA is computed based on the EV as at the Latest Practicable Date (including the cash arising from the full redemption of Singapore Treasury bills upon maturity, and additional cash proceeds arising from the exercise of 152,052,375 Warrants from 1 July 2024 up to the Latest Practicable Date) over the trailing 12-month EBITDA of the Group ("**T12M EBITDA**"). The Diluted EV/EBITDA is computed based on the Enlarged Share Capital (including the cash arising from the full redemption of Singapore Treasury bills upon maturity, and additional cash proceeds assuming full exercise of all outstanding Warrants as at the Latest Practicable Date) and the T12M EBITDA of the Group ("**Diluted EV/EBITDA**").
- (7) The P/ANAV and P/Diluted ANAV is computed based on the assumptions as set out in Section 10.3 of this IFA Letter. Further, as the Company does not hold any intangible assets, the P/NTA and P/Diluted NTA of the Company is equivalent to the P/ANAV and P/Diluted ANAV.

Based on the above, we note that:

- (i) the P/E of the Company as implied by the Final Offer Price of 14.04 times is within the range of, but below the mean and median of the P/E ratios of the Comparable Companies. The Diluted P/E of the Company as implied by the Final Offer Price of 14.69 times is within the range of, and above the median but below the mean of the P/E ratios of the Comparable Companies;
- (ii) the EV/EBITDA and Diluted EV/EBITDA of the Company as implied by the Final Offer Price of 7.88 times and 8.32 times, respectively, are within the range of, but below the mean and median of the EV/EBITDA ratios of the Comparable Companies; and
- (iii) the P/ANAV, P/ Diluted ANAV, P/NTA and P/ Diluted NTA of the Company as implied by the Final Offer Price of 5.98 times, 5.88 times, 5.98 times and 5.88 times, respectively are above the range of the P/NAV ratios and the P/NTA ratios of the Comparable Companies.

10.5 Comparison with recent non-privatisation transactions of companies listed on the SGX-ST

In assessing the reasonableness of the Final Offer Price, we have also compared the financial terms of the Final Offer Price with those of selected non-privatisation transactions involving companies listed on the SGX-ST (excluding real estate investment trusts and business trusts) that were announced since 1 January 2020 up to the Latest Practicable Date, where the offerors had indicated their intention to maintain the listing status of the companies on the SGX-ST ("**Precedent Non-Privatisation Transactions**"). This analysis serves as a general indication of the relevant premium or discount of the respective offers, without having regard to their specific transaction rationale, and the commercial and financial merits or other considerations.

We wish to highlight that the Precedent Non-Privatisation Transactions may not be directly comparable to the Company due to differences in, *inter alia*, scope of business activities, business model, scale of operations, types of products, geographical markets, track record, future prospects, asset base, liquidity, market capitalisation, risk profile, customer base and other relevant criteria. In addition, economic conditions have changed and may differ over the aforementioned period, thus affecting, *inter alia*, the economic terms of the relevant offer considerations. Therefore, it should be noted that the comparison made herein serves only as an illustrative guide and the conclusions drawn from such comparisons may not necessarily reflect the perceived or implied market valuation for the Company. Shareholders should also note that the list of Precedent Non-Privatisation Transactions is not exhaustive and information relating to the Precedent Non-Privatisation Transactions was compiled from publicly available information.

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Company name	Announcement date ⁽¹⁾	Type ⁽²⁾	Premium / (Discount) of offer price over/(to) ⁽¹⁾ :				Offer price/NAV or offer price/RNAV ⁽³⁾ (times)
			Last transacted price prior to announcement (%)	1-month VWAP (%)	3-month VWAP (%)	6-month VWAP (%)	
Tee Land Limited (currently known as Amcorp Global Limited)	13-Jan-2020	MGO	8.0	12.1	19.6	20.4	0.63
Darco Water Technologies Limited	5-May-2020	MGO	30.8	33.3	30.6	(15.9)	0.44
Axington Inc	1-Jun-2020	MGO	43.4	40.1	41.3	78.6	1.27
TEE International Limited	7-Jul-2020	MGO	12.7	12.7	25.2	(11.1)	0.95
Blumont Group Ltd. (currently known as Southern Archipelago Ltd)	16-Nov-2020	MGO	(80.0)	(79.4)	(80.6)	(80.0)	1.13
Lum Chang Holdings Limited	17-Nov-20	MGO	8.6	8.6	8.7	8.8	0.52
Tianjin Zhong Xin Pharmaceutical Group Corporation Limited (currently known as Tianjin Pharmaceutical Da Ran Tang Group Corporation Limited)	20-Dec-20	MGO	(5.3)	(0.7)	5.4	1.8	0.78
Transit-Mixed Concrete Ltd (currently known as Abundante Limited)	20 Feb 21	VGO	75.0	85.9	88.9	75.0	0.93
JEP Holdings Ltd.	21 Apr 21	MGO	-	0.7	1.3	1.7	0.94
Lian Beng Group Ltd	14-Jun-21	MGO	6.4	7.1	1.6	6.6	0.33
Sembcorp Marine Ltd	22-Sep-21	MGO	(5.9)	(8.0)	(29.8)	(47.0)	0.47 ⁽⁴⁾
Viking Offshore Marine Limited (currently known as 9R Limited)	18-Nov-21	MGO	(88.9)	(87.6)	(91.1)	n.a. ⁽⁵⁾	2.08
Keong Hong Holdings Limited	21-Jan-22	MGO	3.8	7.9	11.1	11.0	0.50
Procurri Corporation Limited	20 May 22	MGO	-	3.3	9.4	17.3	2.19
Halcyon Agri Corporation Limited	16 Nov 22	MGO	42.4	64.2	68.7	71.0	1.12
Revez Corporation Ltd	7-Dec-22	MGO	(66.0)	(65.6)	(67.0)	(69.7)	0.83
ICP Ltd	11-Jul-23	MGO	(12.5)	(24.7)	(29.3)	(28.6)	0.90
Sunrise Shares Holdings Ltd	19 Jul 23	MGO	(37.7)	(36.3)	(40.1)	(41.1)	1.20
Datapulse Technology Limited	11-Aug-23	MGO	(2.2)	-	-	(1.1)	0.37
No Signboard Holdings Ltd	28-Mar-24	MGO	(97.5)	(98.9)	(99.3)	(99.3)	n.m. ⁽⁶⁾
Maximum			75.0	85.9	88.9	78.6	2.19
Mean			(9.2)	(6.3)	(6.3)	(5.3)	0.93
Median			0.8	2.0	3.5	1.7	0.90
Minimum			(97.5)	(98.9)	(99.3)	(99.3)	0.33
The Company – Implied by the Final Offer Price and ANAV	11-Sep-2024	VGO	35.4	18.6	27.4	44.4	P/ANAV: 5.98 P/Diluted ANAV: 5.88

APPENDIX I – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS IN RESPECT OF THE OFFER

Source: SGX-ST announcements and circulars to shareholders in relation to the Precedent Non-Privatisation Transactions

Notes:

- (1) Date of announcement and computation of premium/(discount) of offer price over/ (to) the last transacted price and VWAPs are based on the date of the first announcement, including holding announcements of offers and are extracted from the relevant offer announcements and independent financial adviser's letter set out in the respective circulars of the companies.
- (2) MGO – Mandatory General Offer; and VGO – Voluntary General Offer.
- (3) Based on the NAV per share or adjusted revalued NAV (“**RNAV**”) per share, where available, as published in the independent financial adviser's letter as set out in the respective circulars of the companies.
- (4) The independent financial adviser to Sembcorp Marine Ltd had arrived at a range of estimated revalued NAV of Sembcorp Marine Ltd as at 31 December 2021 of between S\$0.1697 and S\$0.2043 per share, and the offer price-to-revalued NAV per share (as implied by its offer price) would be between 0.39 time and 0.47 time.
- (5) Information not available in the relevant offer announcements, offer documents and/or circulars of the companies.
- (6) Not meaningful as the company's P/NAV ratio was negative.

Based on the above, we note the following:

- (a) the premium of 35.4% implied by the Final Offer Price over the last transacted price of the Shares on the Last Trading Day is within the range of, and above the corresponding median premium and more favourable than the corresponding mean discount of the Precedent Non-Privatisation Transactions;
- (b) the premia of 18.6%, 27.4% and 44.4% implied by the Final Offer Price over the 1-month, 3-month and 6-month VWAPs of the Shares prior to and including the Last Trading Day are within the range of, and above the corresponding median premia and more favourable than the corresponding mean discounts of the Precedent Non-Privatisation Transactions; and
- (c) the P/ANAV and P/Diluted ANAV as implied by the Final Offer Price of 5.98 times and 5.88 times, respectively, are above the range of offer price/NAV or offer price/RNAV of the Precedent Non-Privatisation Transactions.

10.6 Dividend track record of the Company

We set out below the information on the dividend per Share declared and paid by the Company for FY2021, FY2022, FY2023 and HY2024:

Dividends declared	FY2021	FY2022	FY2023	HY2024 ⁽³⁾
Total dividends per Share (S\$)	-	0.0029	0.0083	N.A.
Average share price ⁽¹⁾ (S\$)	0.0985	0.1635	0.3007	N.A.
Dividend yield ⁽²⁾	-	1.77%	2.76%	N.A.

Source: Bloomberg L.P. and Company's announcements on SGXNet

Notes:

- (1) Based on the daily closing prices of the Shares for the respective financial years/ period over the number of days in which trades in the Company's Shares were recorded.
- (2) Computed based on dividend per Share divided by the average Share price for the respective periods.
- (3) As set out in the interim financial statements of the Group for the HY2024, the Board has considered the possibility of declaring an interim dividend and the Company will update Shareholders if any firm decision is made. As at the Latest Practicable Date, no dividend has been declared or recommended for HY2024.

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We note that the total dividends paid by the Company in respect of FY2022 and FY2023, represented a dividend yield of 1.77% and 2.76%, respectively. Further, we note that prior to FY2022, the Company has not declared dividends since the financial year ended 31 December 2015 (“FY2015”).

We wish to highlight that the above analysis of the Company’s dividend track record only serves as an illustrative guide and is not an indication of the Company’s future dividend pay-out. While the Company does not have a fixed dividend policy, we noted from the minutes of the annual general meeting held on 25 April 2024 that the Board takes the view that a dividend payout between 25% and 30% of the Company’s profits provides a reasonable balance at this moment. **Notwithstanding this statement, there is no assurance that the Company will continue with such or any dividends pay-outs in the future.**

10.7 Estimated range of values of the Shares

In deriving a range of values for the Shares, we have considered the mean and median P/E and EV/EBITDA valuation multiples of the Comparable Companies as our primary valuation approach, in view that the Group has consistently recorded net profit and positive EBITDA over the Period Under Review. Further, we view that the asset-backed approach using P/NAV and P/NTA multiples may not reasonably reflect the Group’s earnings potential and/or market value as (i) the Group, relatively speaking, is not an asset-heavy company (unlike property investment/real estate holding companies or property developers), and (ii) the Group appears to be more asset-light as compared with the Comparable Companies.

We wish to highlight that the list of selected Comparable Companies, as set out in Section 10.4 of this IFA Letter, is not exhaustive and it should be noted that there may not be any listed company that is directly comparable with the Group in terms of, *inter alia*, scope of business activities, business model, customer base, size of operations, asset base, geographical markets of activities, track record, financial performance and position, operating and financial leverage, future prospects, liquidity, quality of earnings, accounting policies, risk profile and other relevant criteria. We also wish to highlight that many of the Comparable Companies are listed on different stock exchanges. Furthermore, the derivation of valuation measures in this section is based solely on historical earnings metrics of the Company and the Comparable Companies. Hence, any comparison made herein is necessarily limited and serves only as an illustrative guide, and any conclusion drawn from the comparison may not necessarily reflect the perceived or implied market valuation (as the case may be) of the Group as at the Latest Practicable Date.

The estimated range of values of the Shares based on the Enlarged Share Capital is set out as follows:

Valuation Methodology	Implied Valuation Range	
	Mean	Median
P/E of the Comparable Companies (times)	15.72	14.43
EV/EBITDA of the Comparable Companies (times)	9.10	10.72
Estimated value of the Shares based on P/E (S\$)	0.72	0.66
Estimated value of the Shares based on EV/EBITDA (S\$)	0.71	0.80
	Lower Bound	Upper Bound
Estimated value of the Shares (S\$)	0.66	0.80

Based on the above, the range of the estimated value of the Shares is between S\$0.66 and S\$0.80 with a midpoint of S\$0.73. We note that the Final Offer Price of S\$0.67 is within the range of the estimated value of the Shares.

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We wish to highlight that the above has assumed the dilutive impact of full exercise of the outstanding Warrants as at the Latest Practicable Date, given that the Warrants are significantly in the money.

10.8 Other relevant considerations relating to the Offer

10.8.1 Outlook of the Group

We note the following statement on the significant trends and competitive conditions of the industry in which the Group operates, as disclosed in the Company's announcement on the unaudited condensed interim financial statements for HY2024 on 6 August 2024:

"The outlook for our key operations of fabricating topside modules for Floating Production Storage and Offloading (FPSO) vessels remains buoyant. The global FPSO market is projected to grow from US\$6.8 billion in 2020 to US\$34.7 billion in 2032, exhibiting a compound annual growth rate (CAGR) of 14.6% during the forecast period.

More than 63 planned and announced FPSO units are expected to start operations globally between 2024 and 2029, indicating a strong pipeline of projects and consistent expansion in the market. Dyna-Mac remains optimistic about its future growth opportunities. Our outlook is supported by our current orderbook, which stands at S\$681.3 million as of June 2024, with deliveries scheduled through FY2026. This orderbook reflects sustained market demand for our FPSO topside modules. To further strengthen our market position, we are exploring opportunities in adjacent sectors – including carbon capture and storage technologies, and hydrogen solutions. Through these initiatives, Dyna-Mac aims to adapt to evolving energy market demands, future proof and secure long-term growth.

The Group's recent acquisition of Exterran Offshore Pte Ltd which has been rebranded as Dyna-Mac Solutions Pte Ltd, and securing JTC lease adjacent to the current facility resulted in the expansion of capacity and upgrading of yard facilities, has paved the way for further optimisation of our construction methodology and production workflows. These steps have provided us with the flexibility and capability to pursue larger contract-sized projects to further build on our orderbook, boost productivity levels and strengthen our operational capabilities. The additional capacity also helps accelerate our venture into hydrogen and ammonia production modules fabrication. The building of the pipe shops in these new facilities will benefit the Group's effort in scaling up its exotic piping fabrication which will fulfill the Group's own needs as well as mass production of exotic pipe spools as a new recurring income stream.

Dyna-Mac plans to pursue growth through multiple channels, including inorganic growth and strategic alliances with industry leaders. Despite the competitive environment, we are encouraged by a consistent stream of inquiries from both new and repeat customers, indicating sustained demand for our offerings in the foreseeable future."

In addition, as set out in the Group's HY2024 results briefing announced on 8 August 2024, the Group has maintained zero bank borrowings (excluding lease liabilities) in a higher interest cost environment, and has been prudent in its cost management. The Group's orderbook stands at S\$681 million, with visibility extending over the upcoming years, and the orderbook is poised for further expansion, with future projects related to blue hydrogen and ammonia expecting to contribute growth. The Group also strategically positioned with S\$307.7 million of net cash (including S\$39.9 million placed in Singapore Treasury Bills) as at 30 June 2024, which provides flexibility to pursue potential strategic initiatives, including M&As. These initiatives are aimed at generating recurring income and further expanding the Group's business and orderbook.

As set out in the Group's HY2024 Results Briefing – Transcript of the Question & Answer Session announced on 8 August 2024: *"Looking ahead, within the next five years, we believe that the FPSO market is poised for sustained growth. This projection is supported by the lengthy preparation period for FPSOs, typically up to four years before achieving first oil. Robust industry*

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data and industry talk give good visibility, underlining a healthy pipeline and promising supply / demand dynamics, which also affirm a growth trajectory for the near to medium term.”

10.8.2 Conditional offer

The Offer is subject to, amongst others, the Minimum Acceptance Condition of more than 50% of the Shares in issue as at the close of the Offer (including any Shares which may be unconditionally issued pursuant to the exercise of the Warrants and/or valid vesting and release of the Awards granted under the DMSAS 2021 prior to the close of the Offer). In the event the Minimum Acceptance Condition is not met by the close of the Offer, the Offer will lapse and all Shares tendered will be returned to the respective Shareholders. As at the Latest Practicable Date, the Offer has not become or been declared to be unconditional in all respects.

10.8.3 Past acquisition price of the Shares by Hanwha

We noted that the Offeror had, through Hanwha Aerospace and Hanwha Ocean, acquired its stake in the Company on 10 May 2024 through the acquisition of 250,000,000 Shares from KepInvest Holdings Pte. Ltd., representing 23.91% of the then issued share capital of the Company (“**Sale Shares**”), for an aggregate cash consideration of S\$100.0 million. The consideration was arrived at, taking into account the historical and the prevailing traded prices of the Shares. Subsequent to the acquisition of the Sale Shares, Hanwha Aerospace and Hanwha Ocean’s aggregate shareholdings in the Company had increased from an aggregate of 32,859,400 Shares to 282,859,400 Shares, which has remained unchanged until the Latest Practicable Date.

The cash consideration amounted to S\$0.40 per Sale Share (“**Acquisition Consideration**”). The Final Offer Price represents a premium of 67.5% to the Acquisition Consideration per Sale Share.

10.8.4 Control of the Company

We note from the Circular that as at the Latest Practicable Date, the Offeror controls approximately 23.62% of the total number of issued Shares. It is currently the second largest shareholder of the Company, after the Estate of Lim Tze Jong which, together with persons acting in concert with it, holds 35.57% of the total number of issued Shares as at the Latest Practicable Date. In the event the Minimum Acceptance Condition and Merger Control Condition, as set out in Section 3.4 of this IFA Letter, are met and the Offer is declared unconditional, the shareholdings of the Offeror will increase to more than 50% of the total number of issued Shares, placing the Offeror in a position to significant influence, *inter alia*, management, operating and financial policies of the Company and the ability to pass all ordinary and/or special resolution on matters in which the Offeror and its concert parties do not have an interest, at general meetings of the Company.

10.8.5 No alternative offer

The Directors have confirmed, to the best of their knowledge and belief as at the Latest Practicable Date, that (i) no other third parties have approached the Company with an intention to make an offer for the Company; and (ii) apart from the Offer being made by the Offeror, no other third party has made a firm offer for the Company. As there are no alternative offers for the Shares and given the low trading liquidity of the Shares, the Offer provides a viable exit opportunity for Shareholders to immediately realise their investment at a premium over historical market prices, without incurring brokerage and other trading costs that would typically erode returns.

10.8.6 No intention of further revision of Offer Price

We note from the Revision of Offer Price Announcement that the Offeror does not intend to revise the Final Offer Price, save that the Offeror reserves the right to do so in a competitive situation.

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10.8.7 Listing status and compulsory acquisition

The Offeror does not have any present intention to actively pursue the delisting of the Company from the Mainboard of the SGX-ST. However, in the event that the Free Float Requirement is not satisfied at the close of the Offer, and the trading of Shares on the SGX-ST is suspended pursuant to Rule 724, Rule 1105 or Rule 1303(1) of the Listing Manual, the Offeror has no intention to undertake or support any action for any such trading suspension by the SGX-ST to be lifted.

In addition, in the event the Offeror receives valid acceptances pursuant to the Offer (or otherwise acquires Shares during the period when the Offer is open for acceptance) in respect of not less than 90% of the total number of issued Shares (other than those already held by the Offeror, its related corporations or their respective nominees and any person or body corporate falling within the meaning of Section 215(9A) of the Companies Act as at the date of the Offer), the Offeror intends to exercise its right to compulsorily acquire all the Offer Shares not acquired under the Offer. The Offeror will then proceed to delist the Company from SGX-ST.

11. OUR OPINION

In arriving at our opinion in relation to the Offer, we have considered the views and representations made by the Directors and Management and reviewed and deliberated on the factors which we consider to be relevant and to have a significant bearing on our assessment of the terms of the Offer. We have carefully considered factors which we deem essential and balanced them before reaching our opinion. Accordingly, it is important that our IFA Letter, in particular, all the considerations and information which we have taken into account, be read in its entirety.

We wish to highlight some key considerations in arriving at our opinion:

11.1 “Fairness” of the Offer

The following factors substantiate the “fairness” of the Offer:

- (i) the Final Offer Price represents premia ranging between 18.58% to 67.50% over the respective VWAPs of the Shares for the 12-month, 6-month, 3-month and 1-month periods prior to and including the Last Trading Day, and a premium of 35.35% over the closing price of the Shares on the Last Trading Day. Further, the Final Offer Price represents a premium of 7.20% over the highest traded prices of the Shares during the 12-month, 6-month, 3-month and 1-month periods prior to and including the Last Trading Day, and a premium of 30.10% over the highest traded price of the Shares on the Last Trading Day;
- (ii) the Final Offer Price represents a premium of 6.52% over the VWAP of the Shares for the period from 12 September 2024 (being the first traded day after the Offer Announcement Date) up to and including the Latest Practicable Date, and a premium of 2.29% over the closing price of the Shares of S\$0.655 on the Latest Practicable Date;
- (iii) the Shares had traded at a highest price of S\$0.675 subsequent to the Offer Announcement Date up to and including the Latest Practicable Date, but closing prices during this period were below the Final Offer Price;
- (iv) the Final Offer Price represents a premium of 538.10% and 526.17% over the NAV per Share and Diluted NAV per Share respectively. Further, the Final Offer Price represents a premium of 498.21% and 487.72% over the ANAV per Share and Diluted ANAV per Share respectively;

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- (v) the P/ANAV, P/Diluted ANAV, P/NTA and P/Diluted NTA of the Company, as implied by the Final Offer Price, are above the range of the P/NAV and P/NTA ratios of the Comparable Companies;
- (vi) the premia of the Final Offer Price over the 1-month, 3-month and 6-month VWAPs of the Shares prior to and including the Last Trading Day, and over the last transacted price of the Shares on the Last Trading Day are within the range of, and above the corresponding median premia and more favourable than the corresponding mean discounts of the Precedent Non-Privatisation Transactions. Further, the P/ANAV and P/Diluted ANAV, as implied by the Final Offer Price, are above the range of offer price/NAV or offer price/RNAV of the Precedent Non-Privatisation Transactions; and
- (vii) the Final Offer Price of S\$0.67 is within the range of the estimated value of the Shares of between S\$0.66 and S\$0.80.

The following factors undermine the “fairness” of the Offer:

- (i) the Final Offer Price represents a discount of approximately 0.74% to the highest traded price of the Shares for the period from 12 September 2024 (being the first traded day after the Offer Announcement Date) up to and including the Latest Practicable Date;
- (ii) the P/E of the Company, as implied by the Final Offer Price, is within the range of, but below the mean and median of the P/E ratios of the Comparable Companies. The Diluted P/E of the Company, as implied by the Final Offer Price, is within the range of, and above the median, but below the mean of the P/E ratios of the Comparable Companies; and
- (iii) the EV/EBITDA and Diluted EV/EBITDA of the Company, as implied by the Final Offer Price, are within the range of, but below the mean and median of the EV/EBITDA ratios of the Comparable Companies.

11.2 “Reasonableness” of the Offer

The following factors substantiate the “reasonableness” of the Offer:

- (i) the Final Offer Price represents a premium of 67.5% to the Acquisition Consideration per Sale Share paid by Hanwha Aerospace and Hanwha Ocean in May 2024 for their stakes in the Company;
- (ii) the Shares were not actively traded during the Reference Period. The average daily trading volume of the Shares during the 12-month, 6-month, 3-month and 1-month periods prior to and including the Last Trading Day were in the range of 1.92% to 2.60% of the Free Float. The average daily traded volume of the Shares represented 1.99% of the Free Float on the Last Trading Day;
- (iii) the average daily traded volume of the Shares represents 3.10% of the Free Float for the period from 12 September 2024 (being the first traded day after the Offer Announcement Date) up to and including the Latest Practicable Date, and 6.61% of the Free Float on the Latest Practicable Date. The trading volume of the Shares subsequent to the Offer Announcement Date up to and including the Latest Practicable Date, was generally higher than the periods prior to the Offer Announcement Date; and
- (iv) the Offer presents an opportunity for Shareholders to realise their investment in the Shares at a premium to the prevailing Share price as at the Latest Practicable Date, without incurring brokerage and other trading costs that would typically erode returns.

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The following factors undermine the “reasonableness” of the Offer:

- (i) the Group’s net cash position (including the Singapore Treasury bills) as at 30 June 2024 amounted to S\$307.70 million. The Group’s Adjusted Cash per Share amounted to S\$0.28, while the Group’s Diluted Cash per Share amounted to S\$0.27; and
- (ii) the outlook of the Group is expected to be generally favourable, supported by its current orderbook which reflects sustained market demand for the Group’s FPSO topside modules, as well as the projected growth of the FPSO market at a CAGR of 14.6% from 2020 to 2032. Further, the Group’s orderbook has been on an increasing trend over the Period Under Review, and amounted to S\$438.2 million as at 31 December 2023 and S\$681.3 million as at 30 June 2024.

Having considered carefully the information available to us as at the Latest Practicable Date, and based on our analyses, we are of the opinion that the terms of the Offer are on balance, fair and reasonable. Accordingly, we advise the Independent Directors to recommend Shareholders to **ACCEPT** the Offer.

In arriving at our opinion, we did not have regard to the specific investment objectives, financial situation, tax position, risk profiles or particular needs and constraints of any individual Shareholder. As different Shareholders would have different investment profiles and objectives, we recommend that any Shareholder who may require specific advice in relation to his/her investment objectives or portfolio should consult his/her legal, financial, tax or other professional adviser immediately.

We wish to emphasise that the Directors have not provided us with any financial projections or forecasts in respect of the Company or the Group and we have, *inter alia*, relied on the relevant statements contained in the Offer Document, Revision of Offer Price Announcement, Circular, this IFA Letter, confirmations, advice and representations by the Directors, the Management and/or their professional advisers (where applicable), and the Company’s announcements in relation to the Offer. In addition, Directors should note that we have arrived at our recommendation based on information made available to us prior to and including the Latest Practicable Date. We assume no responsibility to update, review or reaffirm our opinion in light of any subsequent development after the Latest Practicable Date, unless otherwise stated.

We would like to highlight that we do not express any opinion on the rationale for, as well as the legal and commercial risks and/or merits (if any) of the Offer, which remains the sole responsibility of the Directors. It is also not within our terms of reference to provide an opinion on the relative merits of the Offer *vis-à-vis* any alternative transactions previously considered by the Company or transactions that the Company may consider in the future.

We have prepared this IFA Letter for the use by the Independent Directors in connection with their consideration of the Offer, but any recommendations made by the Independent Directors in respect of the Offer shall remain their sole responsibility. Whilst a copy of this IFA Letter may be reproduced in the Circular, neither the Company, the Directors nor any other persons may reproduce, disseminate or quote this IFA Letter (or any part thereof) for the purposes (other than for the consideration of the Offer) at any time and in any manner without the prior written consent of ZICO Capital.

This opinion is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

**APPENDIX I – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS
IN RESPECT OF THE OFFER**

Yours faithfully
For and on behalf of
ZICO Capital Pte. Ltd.

Alex Tan
Chief Executive Officer

Karen Soh
Managing Director

APPENDIX II – ADDITIONAL INFORMATION ON THE COMPANY

1. DIRECTORS

The names, addresses and designations of the Directors as the Latest Practicable Date are as follows:

Name	Address	Designation
Mr. Lim Ah Cheng	59 Gul Road, Singapore 629354	Executive Chairman and Chief Executive Officer
Mr. Henry Tan Song Kok	59 Gul Road, Singapore 629354	Lead Independent Director
Ms. Lee Kim Lian Juliana	59 Gul Road, Singapore 629354	Independent Director
Ms. Lim Rui Ping	59 Gul Road, Singapore 629354	Non-Executive/Non- Independent Director

2. REGISTERED OFFICE

The registered office of the Company is 59 Gul Road, Singapore 629354.

3. PRINCIPAL ACTIVITIES

The Company was incorporated in Singapore on 19 June 2003 and was listed on the Mainboard of the SGX-ST on 2 March 2011. The Group is a multi-disciplinary specialist provider of detailed engineering, procurement and construction services to the offshore oil and gas, marine construction and other industries.

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries are:

- (a) contractors for project management, engineering, fabrication and installation of land and marine works;
- (b) contractors for repair and marine works;
- (c) provides project management services for projects in the People's Republic of China; and
- (d) repair of ships, tankers and other ocean-going vessels, manufacture and repair of marine engine and ship parts, and the provision of manpower resources for shipping-related projects.

4. SHARE CAPITAL

4.1 Issued Share Capital

As at the Latest Practicable Date, the Company has one (1) class of shares, being ordinary shares. As at the Latest Practicable Date, the Company has an issued and paid-up share capital of S\$171,360,659.25 comprising 1,197,696,175 ordinary shares. As at the Latest Practicable Date,

APPENDIX II – ADDITIONAL INFORMATION ON THE COMPANY

the Company does not hold any Shares in treasury. The issued Shares are listed and quoted on the Mainboard of the SGX-ST.

4.2 Capital, Dividends and Voting

The rights of Shareholders in respect of capital, dividends and voting are contained in the Constitution. The provisions in the Constitution relating to the rights of Shareholders in respect of capital, dividends and voting are set out in Appendix VI to this Circular. Capitalised terms and expressions not defined in the extracts have the meanings ascribed to them in the Constitution.

4.3 New Issues

As at the Latest Practicable Date, save for the allotment and issuance of 152,052,375 new Shares pursuant to the exercise of 152,052,375 Warrants, and the issuance of 8,719,600 new Shares pursuant to the vesting of the contingent share awards granted to the eligible participants under the Dyna-Mac Share Award Scheme 2021 as announced by the Company on 4 March 2024, there has been no other issuance of Shares by the Company since 31 December 2023, being the end of the last financial year.

4.4 Convertible Securities

Save as disclosed below and in this Circular, the Company has not issued any other instruments convertible into, rights to subscribe for and options in respect of Shares and securities which carry voting rights affecting Shares that are outstanding as at the Latest Practicable Date.

As at the Latest Practicable Date, the Company has:

- (a) 55,332,460 Warrants; and
- (b) 7,701,200 outstanding Awards pursuant to which up to 7,701,200 new Shares will be issued and allotted by the Company upon vesting of the Awards. These Awards will be released and vested in tranches in 2025, subject to the achievement of performance targets as prescribed under the terms of individual Awards; and
- (c) no outstanding options granted under the Dyna-Mac Share Option Scheme 2021 which was approved and adopted by the shareholders of the Company on 29 April 2021.

5. DISCLOSURE OF INTERESTS AND DEALINGS

5.1 Interest of the Company in Offeror Securities

As at the Latest Practicable Date, neither the Company nor its subsidiaries have any direct or deemed interest in the Offeror Securities.

5.2 Dealings in Offeror Securities by the Company

As at the Latest Practicable Date, neither the Company nor its subsidiaries have dealt for value in the Offeror Securities during the period commencing three (3) months prior to the Offer Announcement Date, and ending on the Latest Practicable Date.

APPENDIX II – ADDITIONAL INFORMATION ON THE COMPANY

5.3 Interests of the Directors in Company Securities

Save as disclosed below, none of the Directors has any direct or deemed interest in the Company Securities as at the Latest Practicable Date:

As at the Latest Practicable Date, the (direct and deemed) interests of the Directors in the Shares, the Warrants and the Options are set out in the tables below.

(a) Shares

Name	Direct Interest		Deemed Interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Mr. Lim Ah Cheng	16,962,700 ⁽²⁾	1.416	-	-
Mr. Henry Tan Song Kok	600,000	0.050	-	-

Notes:

- (1) Based on a total of 1,197,696,175 Shares in issue as at the Latest Practicable Date.
- (2) Mr. Lim Ah Cheng's direct interest in 16,962,700 Shares is held by DBS Nominees (Private) Limited as nominee for him.

(b) Awards

Mr. Lim Ah Cheng is interested in a total of 3,857,500 outstanding Awards pursuant to which up to 3,857,500 new Shares will be issued and allotted by the Company upon vesting of the Awards. These 3,857,500 outstanding Awards comprise of (i) 2,728,500 outstanding Awards, for which Mr. Lim Ah Cheng has fulfilled the Performance Targets as prescribed under the terms of his Awards; and (ii) 1,129,000 outstanding Awards for which the Performance Targets (and/or their fulfillment thereof) would be assessed in 2025.

The terms of the DMSAS 2021, provide, *inter alia*, in the event of a take-over being made for the Shares, a Selected Person (as that term is defined in the DMSAS 2021 and in this case Mr. Lim Ah Cheng) shall be entitled to Awards if he has met the Performance Targets within the period commencing on the date on which such offer for a take-over of the Company is made or, if such offer is conditional, the date on which such offer becomes or is declared unconditional, as the case may be, and ending on the earlier of:-

- (a) the expiry of six (6) months thereafter, unless prior to the expiry of such six-month period, at the recommendation of the offeror and with the approvals of the Committee and the SGX-ST, such expiry date is extended to a later date (in either case, being a date falling not later than the last date on which the Performance Targets are to be fulfilled); or
- (b) the date of expiry of the period for which the Performance Targets are to be fulfilled.

Provided that if during such period, the offeror becomes entitled or bound to exercise rights of compulsory acquisition under the provisions of the Act and, being entitled to do so, gives notice to the Selected Persons that it intends to exercise such rights on a specified date, the Selected Person shall be obliged to fulfil such Performance Target until the expiry of such specified date or

APPENDIX II – ADDITIONAL INFORMATION ON THE COMPANY

the expiry date of the Performance Target relating thereto, whichever is earlier, before an Award can be vested.

5.4 Dealings in Company Securities by the Directors

Save as disclosed below and in this Circular, none of the Directors has dealt for value in the Company Securities during the period commencing three (3) months prior to the Offer Announcement Date, and ending on the Latest Practicable Date:

Name	Date of transaction	No. of Shares	Transaction / exercise price (\$)	Nature of Transaction
Mr. Lim Ah Cheng	27 August 2024	5,497,200	824,580	Issue and allotment of 5,497,200 Shares pursuant to the exercise of 5,497,200 Warrants
Mr. Henry Tan Song Kok	4 October 2024	100,000	15,000	Issue and allotment of 100,000 Shares pursuant to the exercise of 100,000 Warrants

5.5 Interests of the Directors in Offeror Securities

At the Latest Practicable Date, none of the Directors holds shares in the Offeror nor has any direct or deemed interest in the Offeror Securities.

5.6 Dealings in Offeror Securities by the Directors

None of the Directors has dealt for value in the Offeror Securities during the period commencing three (3) months prior to the Offer Announcement Date, and ending on the Latest Practicable Date.

5.7 Company Securities owned or controlled by the IFA

As at the Latest Practicable Date, none of the IFA, its related corporations nor funds whose investments are managed by it and/or its related corporations on a discretionary basis, owns or controls any Company Securities.

5.8 Dealings in Company Securities by the IFA

During the period commencing three (3) months prior to the Offer Announcement Date, and ending on the Latest Practicable Date, none of the IFA, its related corporations or funds whose investments are managed by it and/or its related corporations on a discretionary basis, has dealt for value in the Company Securities.

APPENDIX II – ADDITIONAL INFORMATION ON THE COMPANY

5.9 Intentions of the Directors in respect of their Offer Shares

The following Directors who have direct or deemed interests in Company Securities have informed the Company of their intentions in respect of the Offer, as follows:

- (a) Mr. Lim Ah Cheng has a direct interest in 16,962,700 Shares held by DBS Nominees (Private) Limited. As at the Latest Practicable Date, Mr. Lim Ah Cheng intends to accept the Offer in respect of the Shares held by him.
- (b) Mr. Henry Tan Song Kok has a direct interest in 600,000 Shares held by him. As at the Latest Practicable Date, Mr. Henry Tan Song Kok intends to accept the Offer in respect of the Shares held by him.

6. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date:

- (a) there are no service contracts between any of the Directors or proposed directors and the Company or its subsidiaries which have more than 12 months to run and which are not terminable by the employing company within the next 12 months without paying any compensation; and
- (b) there are no such service contracts between any of the Directors or proposed directors and the Company or its subsidiaries entered into or amended during the period commencing six (6) months prior to the Offer Announcement Date and ending on the Latest Practicable Date.

7. ARRANGEMENTS AFFECTING DIRECTORS

As at the Latest Practicable Date:

- (a) it is not proposed that any payment or other benefit be made or given to any Director or to any director of any other corporation which is by virtue of Section 6 of the Companies Act deemed to be related to the Company, as compensation for loss of office or otherwise in connection with the Offer;
- (b) there is no agreement or arrangement made between any Director and any other person in connection with or conditional upon the outcome of the Offer;
- (c) there are no material contracts entered into by the Offeror in which any Director has a material personal interest, whether direct or indirect.

8. MATERIAL CONTRACTS WITH INTERESTED PERSONS

As at the Latest Practicable Date, save as disclosed in this Circular, on the SGXNET, in the Company's annual reports, or any publicly available information on the Group, neither the Company nor any of its subsidiaries has entered into material contracts (other than those entered into in the ordinary course of business) with Interested Persons during the period commencing three (3) years before the Offer Announcement Date and ending on the Latest Practicable Date.

9. MATERIAL LITIGATION

As at the Latest Practicable Date, save as disclosed in this Circular, on the SGXNET, in the Company's annual reports, or any publicly available information on the Group, none of the Company or its subsidiaries is engaged in any material litigation, either as plaintiff or defendant,

APPENDIX II – ADDITIONAL INFORMATION ON THE COMPANY

which might materially and adversely affect the financial position of the Company or the Group, taken as a whole, and the Directors are not aware of any litigation, claims or proceedings pending or threatened against the Company or any of its subsidiaries or any facts likely to give rise to any litigation, claims or proceedings which might materially and adversely affect the financial position of the Company or the Group, taken as a whole.

10. SUMMARY OF FINANCIAL INFORMATION

A summary of the financial information of the Group for FY2021, FY2022, FY2023 and 1H2024 (based on the audited consolidated financial statements of the Group for each of FY2021, FY2022 and FY2023, and the unaudited consolidated financial statement of the Group for 1H2024 respectively) is set out below.

The summary of the financial information of the Group as set out in this Section 10 is extracted from, and should be read together with, the annual reports and the financial statements of the Group for the relevant years and the related notes thereto, copies of which are available on the SGX-ST website at www.sgx.com or for inspection at the registered address of the Company at 59 Gul Road, Singapore 629354, during normal business hours, for the period during which the Offer remains open for acceptance.

The audited consolidated financial statements of the Group for FY2023 are set out in Appendix IV to this Circular.

10.1 Consolidated Statements of Comprehensive Income

<u>S\$'000</u>	1H2024	FY2023	FY2022	FY2021
	(Unaudited)	(Audited)	(Audited)	(Audited)
Revenue	259,728	385,171	291,473	220,210
Cost of Sales	(188,030)	(335,080)	(259,850)	(197,904)
Gross Profit	71,698	50,091	31,623	22,306
<i><u>Other items of income/(expense)</u></i>				
Other Income	7,617	7,422	5,862	7,024
Administrative Expenses	(29,630)	(31,735)	(25,469)	(25,009)
Finance Costs	(476)	(101)	(14)	(142)
Other Expenses	-	(406)	(191)	-
Share of Results of an Associate	146	(210)	-	-
Profit before income tax	49,355	25,061	11,811	4,179
Income tax (expense)/credit	(10,565)	3,630	1,594	1,438
Profit for the financial year	38,790	28,691	13,405	5,617
Other comprehensive income/(loss):				
<u>Items that will not be reclassified subsequently to profit or loss:</u>				
Currency translation differences	(39)	(42)	(131)	266

APPENDIX II – ADDITIONAL INFORMATION ON THE COMPANY

Other comprehensive income/(loss) for the financial year, net of tax	(39)	(42)	(131)	266
Total comprehensive income for the financial year	38,751	28,649	13,274	5,883
Profit attributable to:				
Owners of the parent	38,773	28,488	13,068	5,477
Non-controlling interest	17	203	337	140
Total comprehensive income attributable to:				
Owners of the parent	38,749	28,467	13,022	5,766
Non-controlling interest	2	182	252	117
Earnings per share				
– Basic	3.72	2.75	1.27	0.53
– Diluted	3.35	2.50	1.27	0.53
Final tax-exempt (one-tier) cash dividend per ordinary share (cent)	-	0.83	0.29	-

The Board of Directors of the Company did not recommend any dividend in respect of the financial year ended 31 December FY2021.

10.2 Consolidated Statements of Financial Position

<u>\$'000</u>	<u>1H2024</u> <u>(Unaudited)</u>	<u>FY2023</u> <u>(Audited)</u>	<u>FY2022</u> <u>(Audited)</u>	<u>FY2021</u> <u>(Audited)</u>
Non-current assets				
Property, plant and equipment	39,486	28,064	28,666	33,412
Right-of-use assets	49,638	45,722	23,484	25,312
Investment in an associate	539	393	-	-
Other non-current assets	-	7,909	-	-
Club membership	-	-	15	16
Deferred tax assets	298	7,068	3,300	1,500
Current assets				
Trade and other receivables	38,582	37,875	30,138	57,758
Other current assets	41,636	972	1,131	728
Contract assets	33,309	1,029	3,446	2,812
Cash and cash equivalents	267,810	216,103	185,432	106,340

APPENDIX II – ADDITIONAL INFORMATION ON THE COMPANY

<u>\$'000</u>	<u>1H2024</u> <u>(Unaudited)</u>	<u>FY2023</u> <u>(Audited)</u>	<u>FY2022</u> <u>(Audited)</u>	<u>FY2021</u> <u>(Audited)</u>
Current liabilities				
Trade and other payables	139,476	80,027	78,974	75,710
Contract liabilities	173,486	147,351	127,582	90,651
Borrowings	-	-	-	1,083
Provision for onerous contracts	-	-	-	634
Lease liabilities	2,361	1,655	2,440	2,298
Deferred capital and grants income	-	-	124	149
Income tax payable	3,794	-	124	43
Net current assets/(liabilities)	62,220	26,946	10,903	(2,930)
Non-current liabilities				
Lease liabilities	49,419	45,801	22,354	24,075
Borrowings	-	-	-	2,952
Deferred capital and grants income	-	-	-	124
Deferred tax liabilities	5	12	14	5
Net assets	102,757	70,289	44,000	30,154
Capital and reserves				
Share capital	149,281	147,080	146,096	145,605
Other reserve	1,095	924	705	670
Accumulated losses	(48,012)	(78,106)	(103,589)	(116,657)
Equity attributable to owners of the parent	102,364	69,898	43,212	29,618
Non-controlling interest	393	391	788	536
Total equity	102,757	70,289	44,000	30,154

10.3 Significant Accounting Policies

A summary of the significant accounting policies of the Group is set out in Note 2 to the audited consolidated financial statements of the Group for FY2023, which is reproduced in Appendix IV to this Circular.

Saved as disclosed in this Circular and in publicly available information on the Group (including but not limited to that contained in the annual report of the Company for FY2023, the FY2023 Results, and the announcements released by the Company on the SGXNET), as at the Latest Practicable Date, there are no significant accounting policies or any matters from the notes of the financial statements of the Group which are of any major relevance for the interpretation of the financial statements of the Group.

10.4 Changes in Accounting Policies

Save as disclosed in this Circular and in publicly available information on the Group (including but not limited to that contained in the annual report of the Company for FY2023, the FY2023 Results, the unaudited condensed interim financial statements of the Group for 1H2024 and the announcements released by the Company on the SGXNET), as at the Latest Practicable Date,

APPENDIX II – ADDITIONAL INFORMATION ON THE COMPANY

there is no change in the accounting policy of the Group which will cause the figures disclosed in this Circular not to be comparable to a material extent.

10.5 Material Changes in Financial Position

Save as disclosed in publicly available information on the Company (including but not limited to that contained in the annual report of the Company for FY2023, the FY2023 Results, the unaudited condensed interim financial statements of the Group for 1H2024, the profit guidance announcement dated 5 July 2024 released by the Company on the SGXNET and all other announcements released by the Company on the SGXNET) and in this Circular, as at the Latest Practicable Date, there have been no known material changes in the financial position of the Company since 31 December 2023, being the date to which the Company's last published audited accounts were made up.

10.6 Material Changes in Information

Save as disclosed in this Circular and save for the information relating to the Group and the Offer that is publicly available, there has been no material change in any information previously published by or on behalf of the Company during the period commencing from the Offer Announcement Date and ending on the Latest Practicable Date.

11. COST AND EXPENSES

All expenses and costs incurred by the Company in relation to the Offer will be borne by the Company.

12. VALUATION OF SUBJECT ASSETS

For the purposes of the Offer, the Company had commissioned the Independent Valuer to carry out valuation of the Subject Assets as at the Valuation Date. The Summary Valuation Report is reproduced in Appendix VII to this Circular. The Independent Valuer had adopted the direct comparison method, income capitalisation method and replacement cost method.

Based on the valuation process above, the Independent Valuer had concluded that the market value of the Subject Assets owned by the Group as at the Valuation Date is S\$91,500,000.

Such valuation has been included as part of the IFA's consideration in the IFA Letter. A summary of the revaluation of the Subject Assets of the Group is extracted from paragraph 10.3.1 of the IFA Letter and reproduced below:

10.3.1 Revaluation of the properties of the Group

Based on the latest unaudited financial statements of the Group for HY2024, we note that the Group's non-current assets primarily comprised property, plant and equipment ("PPE") (such as buildings, workshops, yard, warehouses and open fabrication area) and right-of-use ("ROU") assets. A summary of the Group's non-current assets is set out in the above Section 10.2.2 of this IFA Letter.

In connection with the Offer, the Company has commissioned the Independent Valuer to undertake the Independent Valuation of the Revalued Properties (as defined herein) of the Group as at the valuation date of 1 October 2024. For further information, please refer to the details of the Summary Valuation Report as set out in Appendix VI of the Circular.

APPENDIX II – ADDITIONAL INFORMATION ON THE COMPANY

The Independent Valuation is conducted according to the Singapore Institute of Surveyors and Valuers guidelines which supports the definition of market value as follows: "Market Value is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion." This definition of market value is also consistent with that as advocated by the Royal Institution of Chartered Surveyors Standards and Guidelines and International Valuation Standards Council.

We recommend the Independent Directors to advise Shareholders to read the Valuation Report carefully, in particular, the terms of reference, key assumptions and critical factors. Copies of the Valuation Report will be available for inspection at the registered address of the Company at 59 Gul Road, Singapore 629354 during normal business hours for the period during which the Offer remains open for acceptance.

Based on the net book value of the Revalued Properties as at 30 June 2024 and the corresponding market value as at 1 October 2024 based on the Valuation Report, the revaluation surplus in respect of the Revalued Properties is as follows:

Revalued Properties	Valuation methodologies ⁽¹⁾	Total net book value as at 30 June 2024 (S\$'000)		Total market value based on the Valuation Report (S\$'000)	Total Revaluation surplus ⁽²⁾ (S\$'000)
		PPE	ROU		
(i) Warehouse, workshop, office building, and yard located at 31 Gul Road, Singapore 629358, 33 Gul Road, Singapore 629359, 45 Gul Road, Singapore 629350 and 59 Gul Road, Singapore 629354	Direct comparison method as the primary method, and income capitalisation method / cost method as a check	32,391	49,553	91,500	9,556
(ii) Workshop and yard located at 13 Pandan Crescent, Singapore 128469					
(iii) Open fabrication area, located at 35 Pioneer Road, Singapore 628503					
(iv) Workshop, offices and yard located at 49 Gul Road, Singapore 629360					

Source: Valuation Report and Management

Notes:

(1) The valuation methodologies adopted by the Independent Valuer are as follows:

Direct comparison method

APPENDIX II – ADDITIONAL INFORMATION ON THE COMPANY

In this method, a comparison is made with sales of comparable properties in the subject or comparable vicinities. Adjustments are made for differences in location, tenure, age/condition, size, type, approved use, standard of building services and facilities provided, and date of sale, etc. before arriving at the market values of the properties.

Income capitalisation method

Under this approach, the Independent Valuer has considered the recent rent evidence for similar properties available from various sources in the market. The estimated market net income is capitalised at an appropriate market capitalisation rate which reflects both the risk and benefits of the properties as an investment.

Cost method

This method is essentially premised on the assumption that cost equals to value whereby the value of improvements is added to the value of the land (if any). It is usually used to determine the base value of the property and is generally used for properties that are specialized with few or no market transactions.

- (2) *The surplus is calculated as the difference between the market value of the Revalued Properties in their existing state on 1 October 2024 as appraised by the Independent Valuer, and their corresponding net book value as at 30 June 2024.*

Under Rule 26.3 of the Code, the Company is required, inter alia, to make an assessment of any potential tax liabilities which would arise if the properties, which are the subject of a valuation given in connection with the Offer, were to be sold at the amount of the valuation, accompanied by an appropriate comment as to the likelihood of any such liability crystallising.

The Directors and Management of the Company do not expect any potential tax liability on the net revaluation surplus arising from the Independent Valuation of the Revalued Properties in a hypothetical scenario where the Revalued Properties are sold at the market values ascribed in the Valuation Report as there is no capital gains tax in Singapore. As at the Latest Practicable Date, the Company has no existing plan to sell the Revalued Properties as they are part of its core business operations.

Under Rule 26.3 of the Code, the Company is required, *inter alia*, to make an assessment of any potential tax liabilities which would arise if the Subject Assets, which are the subject of a valuation given in connection with the Offer, were to be sold at the amount of the valuation, accompanied by an appropriate comment as to the likelihood of any such liability crystallising.

The Directors and management of the Company does not expect any potential tax liability on the net revaluation surplus arising from the independent valuation of the Subject Assets in a hypothetical scenario where the Subject Assets are sold at the market values ascribed in the Summary Valuation Report as there is no capital gains tax in Singapore. As at the Latest Practicable Date, the Company has no existing plan to sell the Subject Assets as they are part of its core business operations.

APPENDIX III – ADDITIONAL INFORMATION ON THE OFFEROR

The following information on the Offeror and its ultimate holding company Hanwha Aerospace have been extracted from Appendices 3 and 4 to the Offer Document. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as ascribed to them in the Offer Document.

APPENDIX 3

ADDITIONAL INFORMATION ON THE OFFEROR

1. DIRECTORS

The names, addresses and descriptions of the Directors as at the Latest Practicable Date are as follows:

Name	Address	Description
<i>Shin, Yong In</i>	<i>c/o 7 Temasek Boulevard, #14-01, Suntec Tower One, Singapore 038987</i>	<i>Director</i>
<i>Choi, Jin Hyun</i>	<i>c/o 7 Temasek Boulevard, #14-01, Suntec Tower One, Singapore 038987</i>	<i>Director</i>
<i>Suh, Wee Hyuk</i>	<i>c/o 7 Temasek Boulevard, #14-01, Suntec Tower One, Singapore 038987</i>	<i>Director</i>

2. PRINCIPAL ACTIVITIES AND SHARE CAPITAL

The Offeror is an investment holding company incorporated in Singapore on 21 June 2024 for the purpose of making the Offer. The Offeror has not carried on any business since its incorporation, except in relation to matters in connection with the making of the Offer. As at the Latest Practicable Date, the Offeror has an issued and paid-up share capital of S\$900 comprising 900 ordinary shares, of which:

- (a) Hanwha Aerospace holds 810 ordinary shares in the Offeror, representing 90% of the total number of ordinary shares of the Offeror; and*
- (b) Hanwha Ocean holds 90 ordinary shares in the Offeror, representing 10% of the total number of ordinary shares of the Offeror.*

3. FINANCIAL SUMMARY

As the Offeror was incorporated on 21 June 2024, no audited financial statements of the Offeror have been prepared to date. As no audited or unaudited financial statements of the Offeror have been prepared as at the Latest Practicable Date, there are no significant accounting policies to be noted.

APPENDIX III – ADDITIONAL INFORMATION ON THE OFFEROR

4. MATERIAL CHANGES IN FINANCIAL POSITION

As at the Latest Practicable Date, save as disclosed in this Offer Document and save for the making and financing of the Offer, there has been no known material change in the financial position of the Offeror since its incorporation.

5. REGISTERED OFFICE

The registered office of the Offeror is at 7 Temasek Boulevard, #14-01, Suntec Tower One, Singapore 038987.

APPENDIX 4

ADDITIONAL INFORMATION ON HANWHA AEROSPACE

1. DIRECTORS

The names, addresses and descriptions of each director of Hanwha Aerospace as at the Latest Practicable Date are as follows:

Name	Address	Description
Kim, Dongkwan	c/o 1204, Changwon-daero, Seongsan-gu, Chang-won-si, Gyeongsangnam-do, Republic of Korea	Internal Director
Son, Jae Il	c/o 1204, Changwon-daero, Seongsan-gu, Chang-won-si, Gyeongsangnam-do, Republic of Korea	Internal Director
An, Byungchul	c/o 1204, Changwon-daero, Seongsan-gu, Chang-won-si, Gyeongsangnam-do, Republic of Korea	Internal Director
Kim, Hyoun Jin	c/o 1204, Changwon-daero, Seongsan-gu, Chang-won-si, Gyeongsangnam-do, Republic of Korea	Outside Director
Jun, Jingoo	c/o 1204, Changwon-daero, Seongsan-gu, Chang-won-si, Gyeongsangnam-do, Republic of Korea	Outside Director
Chon, Huy jae	c/o 1204, Changwon-daero, Seongsan-gu, Chang-won-si, Gyeongsangnam-do, Republic of Korea	Outside Director

APPENDIX III – ADDITIONAL INFORMATION ON THE OFFEROR

Jung, Do-jin

c/o 1204, Changwon-daero,
Seongsan-gu, Chang-won-si,
Gyeongsangnam-do,
Republic of Korea

Outside Director

2. PRINCIPAL ACTIVITIES AND SHARE CAPITAL

Hanwha Aerospace is a public company incorporated in South Korea and listed on the Korean Stock Exchange. Hanwha Aerospace engages in the defence, aerospace and space business, with expertise in navigation systems, space launch vehicles, satellite services, gas turbine engines and components, and marine lithium-ion battery systems for ships.

As at the Latest Practicable Date, Hanwha Aerospace has a paid-up registered capital of KRW265,650,000,000 (equivalent to approximately S\$257,784,980⁷).

⁷ Based on the exchange rate of S\$1.00: KRW1,030.51.

3. FINANCIAL SUMMARY

Set out below is a summary of certain financial information extracted from the audited consolidated financial statements of the HA Group for FY2021, FY2022, FY2023 (collectively, the “**HA Group Audited Financial Statements**”) and the unaudited consolidated financial statements of the HA Group for 1H2024 (the “**HA Group Unaudited Financial Statements**”), which has been presented in S\$ and derived based on an exchange rate of S\$1.00: KRW1,030.51. The financial information referred to in this paragraph should be read in conjunction with the HA Group Audited Financial Statements, which are available in English on Hanwha Aerospace’s website at <https://www.hanwhaaerospace.com/eng/ir/finance/audit-report.do>, and the HA Group Unaudited Financial Statements, which are available in Korean on the website of DART (Repository of Korea’s Corporate Filings) at <https://englishdart.fss.or.kr/dsbh001/main.do?rcpNo=20240814002253>.

Statement of Earnings

	FY2021 (Audited) (S\$’000) ⁽¹⁾	FY2022 (Audited) (S\$’000) ⁽¹⁾	FY2023 (Audited) (S\$’000) ⁽¹⁾	1H2024 (Unaudited) (S\$’000) ⁽¹⁾
Revenue income	5,377,327	6,851,358	9,081,917	4,497,104
Profit/(Loss) before tax	280,797	189,610	1,178,804	188,873
Profit from continuing operations	203,584	117,091	947,995	157,723
Profit from discontinuing operations	89,244	25,124	–	–
Profit/(Loss) after tax for the year	292,828	142,215	947,995	157,723

APPENDIX III – ADDITIONAL INFORMATION ON THE OFFEROR

Profit attributable to:

<i>Owners of Hanwha Aerospace</i>	245,103	189,570	793,306	130,095
<i>from continuing operations</i>	155,888	164,427	793,306	130,095
<i>from discontinuing operations</i>	89,215	25,142	–	–
<i>Non-controlling interest</i>	47,725	(47,355)	154,689	27,628

Earnings per share attributable to the equity holders of Hanwha Aerospace⁽²⁾

<i>Basic and diluted earnings per share (S\$)</i>	4.84	3.74	15.63	2.56
<i>– from continuing operations (S\$)</i>	3.08	3.25	15.63	2.56
<i>– from discontinuing operations (S\$)</i>	1.76	0.50	–	–
Dividends per share⁽²⁾ (S\$)	0.68	0.97	1.75	–

Notes:

(1) Rounded to the nearest thousand.

(2) Rounded to the nearest two (2) decimal places.

Statement of Assets and Liabilities

	FY2023 (Audited) (S\$'000)⁽¹⁾	1H2024 (Unaudited) (S\$'000)⁽¹⁾
ASSETS		
Non-current assets		
<i>Other financial assets</i>	632,336	585,008
<i>Long-term trade and other receivables</i>	139,741	113,476
<i>Derivative assets</i>	35,721	40,952
<i>Other non-current assets</i>	220,559	158,898
<i>Property, plant and equipment</i>	3,309,363	3,484,616
<i>Intangible assets</i>	2,137,590	2,190,725
<i>Investments in associates and joint ventures</i>	3,108,925	3,229,319
<i>Deferred tax assets</i>	235,862	290,773
<i>Right-of-use assets</i>	224,307	217,646
Total non-current assets	10,044,404	10,311,413
Current assets		

APPENDIX III – ADDITIONAL INFORMATION ON THE OFFEROR

<i>Cash and cash equivalents</i>	1,752,878	2,087,850
<i>Other financial assets</i>	90,080	208,583
<i>Trade and other receivables</i>	2,063,517	2,406,385
<i>Derivative assets</i>	1,800	10
<i>Inventories</i>	2,783,643	3,852,363
<i>Other current assets</i>	2,184,697	2,614,730
<i>Non-current assets held for sale</i>	43,281	43,134
Total current assets	8,919,896	11,213,054
Total assets	18,964,299	21,524,466
LIABILITIES		
Non-current liabilities		
<i>Long-term trade and other payables</i>	332,125	419,514
<i>Lease liabilities</i>	155,194	152,977
<i>Borrowings and debentures</i>	1,359,547	2,332,185
<i>Employee benefits liabilities</i>	648,635	697,727
<i>Derivative liabilities</i>	15,526	–
<i>Deferred tax liabilities</i>	117,393	107,858
<i>Other non-current liabilities</i>	6,668	6,064
<i>Other non-current financial liabilities</i>	64,621	61,254
Total non-current liabilities	2,699,709	3,777,580
	FY2023	1H2024
	(Audited)	(Unaudited)
	(\$'000)⁽¹⁾	(\$'000)⁽¹⁾
Current liabilities		
<i>Trade and other payables</i>	1,823,654	1,539,865
<i>Lease liabilities</i>	68,880	67,453
<i>Borrowings and debentures</i>	2,462,936	3,006,493
<i>Derivative liabilities</i>	3,394	13,542
<i>Income tax payables</i>	127,041	94,418
<i>Employee benefits liabilities</i>	5,781	5,317
<i>Other current liabilities</i>	7,224,216	8,330,100
<i>Other current financial liabilities</i>	3,147	5,958

APPENDIX III – ADDITIONAL INFORMATION ON THE OFFEROR

Total current liabilities	11,719,050	13,063,146
Total liabilities	14,418,758	16,840,726
Equity		
Share capital	257,785	257,785
Capital surplus	186,152	195,997
Capital adjustment	(2,133)	(2,133)
Accumulated other comprehensive income	432,461	510,181
Retained earnings	2,549,628	2,585,389
Equity attributable to owners of Hanwha Aerospace	3,423,894	3,547,219
Non-controlling interests	1,121,646	1,136,521
Total equity	4,545,541	4,683,740
Total liabilities and equity	18,964,299	21,524,466

Note:

(1) Rounded to the nearest thousand.

4. MATERIAL CHANGES IN FINANCIAL POSITION

Pro Forma Financial Effects from Spin-Off

Subsequent to 31 December 2023, being the date of the last audited financial statements of Hanwha Aerospace, and as announced by Hanwha Aerospace on the Korea Stock Exchange, the shareholders of Hanwha Aerospace have approved the spin-off and divestment of Hanwha Aerospace's former subsidiaries Hanwha Vision Co., Ltd. and Hanwha Precision Machinery Co., Ltd. and their subsidiaries (the "**Spin-Off Assets**") under a new entity Hanwha Industrial Solutions Co., Ltd. ("**Hanwha Industrial Solutions**") (the "**Spin-Off**"). Hanwha Industrial Solutions was listed on the Korean Stock Exchange on 27 September 2024.

Assuming that the Spin-Off had been completed on 31 December 2023, the pro forma financial effects of the Spin-Off on the HA Group's total assets, total liabilities and total equity as at 31 December 2023 will be as follows:

	Before the Spin-Off (S\$'000)	After the Spin-Off	
		HIS Group (New Group) (S\$'000)	HA Group (Surviving Group) (S\$'000)
Total assets	18,964,299	1,313,780	17,650,519
Total liabilities	14,418,758	761,493	13,657,266
Total equity	4,545,541	552,288	3,993,253

APPENDIX III – ADDITIONAL INFORMATION ON THE OFFEROR

The “**HIS Group**” refers to the new group comprising Hanwha Industrial Solutions and its subsidiaries, including the Spin-Off Assets.

The pro forma financial effects of the Spin-Off are presented for illustration only and are not intended to reflect the actual future financial position of the HA Group after completion of the Spin-Off. These illustrative pro forma financial effects have been computed based on (a) the HA Group’s audited consolidated financial statements for FY2023; and (b) the audited consolidated financial statements of the group comprising Hanwha Vision Co., Ltd., Hanwha Precision Machinery Co., Ltd. and their subsidiaries for FY2023, as well as the following key assumptions:

- The allocation ratio of the HA Group’s total assets, total liabilities and equity to the HIS Group’s total assets, total liabilities and equity, after the Spin-Off, was determined by dividing:
 - (i) the sum of the book value of the net assets and treasury shares of the newly established Hanwha Industrial Solutions; by
 - (ii) the sum of the book value of the net assets and treasury shares of the HA Group (including the Spin-Off Assets) prior to the Spin-Off,

as of the balance sheet date of 31 December 2023.

No other Material Changes in Financial Position

As at the Latest Practicable Date, save as disclosed in this Offer Document (including as set out above), the making and financing of the Offer, and information on the HA Group which is publicly available on the website of Hanwha Aerospace and the filings on the website of DART (Repository of Korea’s Corporate Filings), there has been no known material change in the financial position of Hanwha Aerospace since 31 December 2023, being the date of the last audited financial statements of Hanwha Aerospace.

5. SIGNIFICANT ACCOUNTING POLICIES

The audited financial statements of Hanwha Aerospace for FY2023 have been prepared in accordance with International Financial Reporting Standards as adopted by the Republic of Korea (Korean IFRS). The significant accounting policies of Hanwha Aerospace are set out in Note 2 to the audited financial statements of Hanwha Aerospace for FY2023, a copy of which is available on Hanwha Aerospace’s website at <https://www.hanwhaaerospace.com/eng/ir/finance/audit-report.do>.

6. CHANGE IN ACCOUNTING POLICIES

As at the Latest Practicable Date, there has been no change in the accounting policies of Hanwha Aerospace since 31 December 2023, being the date of the last audited financial statements of Hanwha Aerospace, which will cause the figures set out in this Appendix 4 to be not comparable to a material extent.

7. REGISTERED OFFICE

The registered office of Hanwha Aerospace is at 1204, Changwon-daero, Seongsan-gu, Changwon-si, Gyeongsangnam-do, Republic of Korea.

APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2023

The audited consolidated financial statements of the Group for FY2023 which are set out below have been reproduced from the Company's annual report for FY2023, and were not specifically prepared for inclusion in this Circular.

All capitalised terms used in the notes to the audited consolidated financial statements of the Group for FY2023 set out below shall have the same meanings given to them in the annual report of the Company for FY2023.

A copy of the annual report of the Company for FY2023 is available for inspection at the registered office of the Company at 59 Gul Road, Singapore 629354, during normal business hours from the date of this Circular and for the period during which the Offer remains open for acceptance.

**APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP
FOR FY2023**

Company Registration No. 200305693E

Dyna-Mac Holdings Ltd.

Annual Financial Statements
31 December 2023

**APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP
FOR FY2023**

Dyna-Mac Holdings Ltd.

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APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2023

Dyna-Mac Holdings Ltd.

Directors' statement For the financial year ended 31 December 2023

The directors present their statement to the members together with the audited consolidated financial statements of Dyna-Mac Holdings Ltd. (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheet of the Company for the financial year ended 31 December 2023.

Opinion of the directors

In the opinion of the directors,

- (a) the consolidated financial statements of the Group and the balance sheet of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023 and of the financial performance, changes in equity and cash flows of the Group for the year ended on that date; and
- (b) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors of the Company in office at the date of this statement are:

Lim Ah Cheng
Henry Tan Song Kok
Lee Kim Lian, Juliana
Lim Rui Ping

Arrangements to enable Directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' interests in shares and debentures

According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

Name of directors	Direct interest		Deemed interest	
	At beginning of the financial year	At end of the financial year	At beginning of the financial year	At end of the financial year
<i>Ordinary shares of the Company</i>				
Lim Ah Cheng	4,420,000	7,486,000	–	–
Henry Tan Song Kok	500,000	500,000	–	–

APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2023

Dyna-Mac Holdings Ltd.

**Directors' statement
For the financial year ended 31 December 2023**

Directors' interests in shares and debentures (cont'd)

Name of director	Direct interest		Deemed interest	
	At beginning of the financial year	At end of the financial year	At beginning of the financial year	At end of the financial year
(Unvested shares under award granted to be delivered after 2022)				
Lim Ah Cheng	1,937,000	–	–	–
(Unvested shares under award granted to be delivered after 2023)				
Lim Ah Cheng	122,000	1,251,000	–	–
(Unvested shares under award granted to be delivered after 2024)				
Lim Ah Cheng	–	1,129,000	–	–

The directors' interests in the ordinary shares of the Company as at 21 January 2024 were the same as those as at 31 December 2023.

Share plans

Dyna-Mac Share Option Scheme (“DMSOS 2021”) and the Dyna-Mac Share Award Scheme 2021 (“DMSAS 2021”) were approved by the shareholders of the Company at an Extraordinary General Meeting held on 29 April 2021 and are administered by the Remuneration Committee. Details of the share award granted under DMSAS 2021 are disclosed in Note 20 to the financial statements.

DMSOS 2021

No options were granted during the financial year ended 31 December 2023 to subscribe for unissued shares of the Company. No shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company. There were no unissued shares of the Company under option at the end of the financial year.

DMSAS 2021

Awards under the DMSAS 2021 are granted over fully paid ordinary shares of the Company which vest upon fulfilment of prescribed performance targets within prescribed performance periods. Performance targets are formulated based on medium-term corporate objectives, and include targets covering order book, cash flow, profit before tax and project completion.

At the end of the financial year, details of the ordinary shares under award granted pursuant to the DMSAS 2021, are as follows:

Date of grant	Grant No.	At beginning of the financial year	Share awards granted	Share awards vested	Share awards cancelled	At end of the financial year
16 July 2021	2021 Grant 1	3,098,000	–	(2,949,000)	(149,000)	–
08 July 2022	2022 Grant 1	1,085,000	–	(443,500)	(198,000)	443,500
15 August 2022	2022 Grant 2	588,000	–	(271,000)	(46,000)	271,000
28 February 2023	2023 Grant 1	–	8,374,800	(2,752,200)	–	5,622,600

DMSAS 2021's share awards are granted to selected directors, key executives and employees of the Company. Lim Ah Cheng is the only director who has been granted share awards under DMSAS 2021.

APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2023

Dyna-Mac Holdings Ltd.

Directors' statement
For the financial year ended 31 December 2023

Share plans (cont'd)

No director or employee received 5% or more of the total number of shares granted during the financial year and aggregated to date, except for the following:

Name of participants	Share award granted during 2023	Aggregate share awards granted since commencement of scheme to 31 December 2023	Aggregate share awards vested since commencement of scheme to 31 December 2023	Aggregate share awards outstanding as at 31 December 2023
Director				
Lim Ah Cheng	3,387,000 (40%)	9,198,000 (44%)	6,818,000	2,380,000
Key executives				
Jerald Lee Quan Ti	544,800 (7%)	1,663,800 (8%)	1,272,600	391,200
Ian Chin Woon Kwong	379,200 (5%)	1,183,200 (6%)	902,400	280,800
Chong Swee Lee	405,000 (5%)	1,131,000 (5%)	833,000	298,000

Controlling shareholders or associate of controlling shareholders are not eligible to participate in the DMSAS 2021.

Audit Committee

The members of the Audit Committee ("AC") at the date of this statement are:

Henry Tan Song Kok	(Chairman)
Lee Kim Lian, Juliana	(Member)
Lim Rui Ping	(Member)

All members of the AC are non-executive directors.

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Companies Act 1967, including the following:

- Reviewed the audit plans of the internal and external auditors of the Group and the Company, and reviewed the internal auditor's evaluation of the adequacy of the Company's system of internal accounting controls and the assistance given by the Group and the Company's management to the external and internal auditors
- Reviewed the quarterly and annual financial statements and the independent auditor's report on the annual financial statements of the Group and the Company before their submission to the board of directors
- Reviewed effectiveness of the Group and the Company's material internal controls, including financial, operational and compliance controls and risk management via reviews carried out by the internal auditor
- Met with the external auditor, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the AC

APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2023

Dyna-Mac Holdings Ltd.

Directors' statement
For the financial year ended 31 December 2023

Audit Committee (cont'd)

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Companies Act 1967, including the following: (cont'd)

- Reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators
- Reviewed the cost effectiveness and the independence and objectivity of the external auditor
- Reviewed the nature and extent of non-audit services provided by the external auditor
- Recommended to the board of directors the external auditor to be nominated, approved the compensation of the external auditor, and reviewed the scope and results of the audit
- Reported actions and minutes of the AC to the board of directors with such recommendations as the AC considered appropriate
- Reviewed interested person transactions in accordance with the requirements of the Singapore Exchange Securities Trading Limited's Listing Manual

Further details regarding the AC are disclosed in the Report on Corporate Governance.

Auditor

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the board of directors,

Lim Ah Cheng
Director

Henry Tan Song Kok
Director

Singapore
29 February 2024

APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2023

Dyna-Mac Holdings Ltd.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Dyna-Mac Holdings Ltd. (the “Company”) and its subsidiaries (collectively, the “Group”), which comprise the balance sheets of the Group and the Company as at 31 December 2023, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement of the Group for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the “Act”) and Singapore Financial Reporting Standards (International) (“SFRS(I)”) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2023 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (“SSAs”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (“ACRA”) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (“ACRA Code”) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2023

Dyna-Mac Holdings Ltd.

Report on the Audit of the Financial Statements (cont'd)

Key Audit Matters (cont'd)

Revenue recognition on construction projects

The Group derives most of its revenue from construction contracts, whereby such revenue is recognised based on management's estimation of the progress of the project activities using the input method that reflects the over-time transfer of control to its customers. The measure of progress is generally determined based on the proportion of contract costs incurred to date to the estimated total costs. The determination of total contract value, progress towards completion and costs to complete these projects involved significant management judgement and estimation uncertainties, and may have an impact on the amount of construction revenue, contract assets and contract liabilities recognised during the year. As such, we determined this as a key audit matter.

As part of the audit, we obtained an understanding of the Group's costing and budgeting process, and the controls put in place to estimate project revenues, costs and profit margins in the current market conditions. For significant projects, we traced significant costs incurred for construction contracts to the relevant supporting documents such as invoices and supplier statements, to ensure that the costs are directly attributable to the contracts tested. We tested the reasonableness of management's estimation of construction progress by comparing the actual cost incurred as a percentage to the total contract costs, including costs to complete and held discussions with senior management of the Group regarding the status of the Group's construction projects and budgeted cost to complete.

We also assessed the adequacy of the disclosures on the Group's project revenue and contract assets and liabilities in Note 4 to the financial statements.

Other Information

Management is responsible for other information. The other information comprises the Directors' Statement (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and other sections of the Dyna-Mac Holdings Ltd.'s annual report 2023 ("Other Sections"), which is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Other Sections, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and take appropriate actions in accordance with SSAs.

APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2023

Dyna-Mac Holdings Ltd.

Report on the Audit of the Financial Statements (cont'd)

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2023

Dyna-Mac Holdings Ltd.

Report on the Audit of the Financial Statements (cont'd)

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Tan Po Hsiung Jonathan.

Ernst & Young LLP

Public Accountants and
Chartered Accountants
Singapore

29 February 2024

**APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP
FOR FY2023**

Dyna-Mac Holdings Ltd.

**Consolidated statement of comprehensive income
For the financial year ended 31 December 2023**

	Note	Group 2023 \$'000	Group 2022 \$'000
Revenue	4	385,171	291,473
Cost of sales		(335,080)	(259,850)
<hr/>			
Gross profit		50,091	31,623
Other income	5	7,422	5,862
Other expenses	5	(406)	(191)
Administrative expenses		(31,735)	(25,469)
Finance expenses	6	(101)	(14)
Share of results of an associate	14	(210)	–
<hr/>			
Profit before tax	7	25,061	11,811
Income tax credit	9	3,630	1,594
<hr/>			
Net profit for the year		28,691	13,405
<hr/>			
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Currency translation differences arising from consolidation		(42)	(131)
<hr/>			
Total comprehensive income for the year		28,649	13,274
<hr/>			
Profit attributable to:			
Equity holders of the Company		28,488	13,068
Non-controlling interests		203	337
<hr/>			
		28,691	13,405
<hr/>			
Total comprehensive income attributable to:			
Equity holders of the Company		28,467	13,022
Non-controlling interests		182	252
<hr/>			
		28,649	13,274
<hr/>			
Earnings per share attributable to equity holders of the Company (cents per share)			
– Basic	22	2.75	1.27
– Diluted	22	2.50	1.25
<hr/>			

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

**APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP
FOR FY2023**

Dyna-Mac Holdings Ltd.

**Balance sheets
As at 31 December 2023**

	Note	Group		Company	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
ASSETS					
Current assets					
Cash and cash equivalents	10	216,103	185,432	599	4,305
Trade and other receivables	11	37,875	30,138	11,185	16
Contract assets	4(c)	1,029	3,446	–	–
Other current assets	12(a)	972	1,131	10	14
		255,979	220,147	11,794	4,335
Non-current assets					
Club membership		–	15	–	–
Investments in subsidiaries	13	–	–	112,003	112,003
Investment in an associate	14	393	–	–	–
Property, plant and equipment	15	28,064	28,666	–	–
Right-of-use assets	16	45,722	23,484	–	–
Other non-current assets	12(b)	7,909	–	7,909	–
Deferred tax assets	19	7,068	3,300	–	–
		89,156	55,465	119,912	112,003
Total assets		345,135	275,612	131,706	116,338
LIABILITIES					
Current liabilities					
Income tax payable		–	124	–	–
Trade and other payables	17	80,027	78,974	8,313	220
Contract liabilities	4(c)	147,351	127,582	–	–
Deferred capital and grants income	18	–	124	–	–
Lease liabilities	16	1,655	2,440	–	–
		229,033	209,244	8,313	220
Non-current liabilities					
Deferred tax liabilities	19	12	14	–	–
Lease liabilities	16	45,801	22,354	–	–
		45,813	22,368	–	–
Total liabilities		274,846	231,612	8,313	220
Net assets		70,289	44,000	123,393	116,118
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	20	147,080	146,096	147,080	146,096
Other reserves	21	924	705	558	360
Accumulated losses		(78,106)	(103,589)	(24,245)	(30,338)
		69,898	43,212	123,393	116,118
Non-controlling interests		391	788	–	–
Total equity		70,289	44,000	123,393	116,118

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

**APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP
FOR FY2023**

Dyna-Mac Holdings Ltd.

**Consolidated statement of changes in equity
For the financial year ended 31 December 2023**

2023 Group	Share capital \$'000	Accumulated losses \$'000	Other reserves \$'000	Total \$'000	Non- controlling interests \$'000	Total equity \$'000
Opening balance at 1 January 2023	146,096	(103,589)	705	43,212	788	44,000
Total comprehensive income for the year	–	28,488	(21)	28,467	182	28,649
<u>Contributions by and distributions to owners</u>						
Share-based payment Issuance of new shares under share- based payment	–	–	1,182	1,182	–	1,182
Dividends paid relating to financial year ended 31 December 2022 (Note 23)	984	–	(984)	–	–	–
	–	(3,005)	–	(3,005)	–	(3,005)
Total contributions by and distributions to owners	984	(3,005)	198	(1,823)	–	(1,823)
Deemed disposal of a subsidiary	–	–	42	42	(579)	(537)
Closing balance at 31 December 2023	147,080	(78,106)	924	69,898	391	70,289
2022 Group						
Opening balance at 1 January 2022	145,605	(116,657)	670	29,618	536	30,154
Total comprehensive income for the year	–	13,068	(46)	13,022	252	13,274
<u>Contributions by and distributions to owners</u>						
Share-based payment Issuance of new shares under share- based payment	–	–	572	572	–	572
	491	–	(491)	–	–	–
Total contributions by and distributions to owners	491	–	81	572	–	572
Closing balance at 31 December 2022	146,096	(103,589)	705	43,212	788	44,000

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

**APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP
FOR FY2023**

Dyna-Mac Holdings Ltd.

**Consolidated cash flow statement
For the financial year ended 31 December 2023**

	Note	2023 \$'000	2022 \$'000
Cash flows from operating activities			
Profit before tax		25,061	11,811
<u>Adjustments for:</u>			
Amortisation of club membership	7	1	1
Amortisation of deferred capital grants		(124)	(149)
Depreciation of property, plant and equipment	15	5,766	7,118
Depreciation of right-of-use assets	16	2,588	2,562
Loss on deemed disposal of a subsidiary	13	42	–
Interest expenses	6,7	1,007	791
Interest income	5	(4,463)	(1,333)
Loss on disposal of property, plant and equipment	5	42	102
Property, plant and equipment written off	5	36	–
Share-based payments	20	1,182	572
Share of results of an associate	14	210	–
Write-back of expected credit losses on trade and other receivables	7	–	(197)
Write-off of club membership	5	14	–
Unrealised exchange loss		797	26
		32,159	21,304
Operating cash flows before changes in working capital			
<u>Changes in working capital:</u>			
Contract assets		2,417	(634)
Contract liabilities		42,632	36,931
Other current assets		156	(403)
Trade and other receivables		(38,729)	28,768
Trade and other payables, including deferred grants income		6,600	2,331
		45,235	88,297
Cash flows generated from operations			
Income tax paid		(258)	(111)
Interest received		4,382	382
		49,359	88,568
Net cash flows generated from operating activities			

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

**APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP
FOR FY2023**

Dyna-Mac Holdings Ltd.

**Consolidated cash flow statement
For the financial year ended 31 December 2023**

	Note	2023 \$'000	2022 \$'000
Cash flows from investing activities			
Additions to property, plant and equipment	15	(3,221)	(2,239)
Advance payment	12(b)	(7,909)	–
Deemed disposal of a subsidiary	13	(545)	–
Proceeds from disposal of property, plant and equipment		8	63
		<hr/>	<hr/>
Net cash flows used in investing activities		(11,667)	(2,176)
Cash flows from financing activities			
Dividends paid to equity holders of the Company	23	(3,005)	–
Interest expense paid		(1,007)	(791)
Payment of principal portion of lease liabilities	16	(2,164)	(2,313)
Repayments of bank borrowings		–	(4,035)
		<hr/>	<hr/>
Net cash flows used in financing activities		(6,176)	(7,139)
		<hr/>	<hr/>
Net increase in cash and cash equivalents		31,516	79,253
Cash and cash equivalents			
Cash and cash equivalents at 1 January		185,432	106,340
Effects of exchange rate changes on cash and cash equivalents		(845)	(161)
		<hr/>	<hr/>
Cash and cash equivalents at 31 December	10	216,103	185,432
		<hr/>	<hr/>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

**APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP
FOR FY2023**

Dyna-Mac Holdings Ltd.

**Consolidated cash flow statement
For the financial year ended 31 December 2023**

A reconciliation of liabilities arising from financing activities is as follows:

	1 January 2023 \$'000	Cash flows \$'000	Non-cash changes		31 December 2023 \$'000
			Accretion of interest \$'000	Reclassifica- tion \$'000	
				Modification of lease liabilities \$'000	
Lease liabilities					
Current	2,440	(3,171)	1,007	(1,133)	1,655
Non-current	22,354	–	–	25,959	45,801
Total liabilities from financing activities	24,794	(3,171)	1,007	24,826	47,456

	1 January 2022 \$'000	Cash flows \$'000	Non-cash changes		31 December 2022 \$'000
			Accretion of interest \$'000	Reclassifica- tion \$'000	
				Modification of lease liabilities \$'000	
Bank borrowings					
Current	1,083	(4,044)	9	–	–
Non-current	2,952	–	–	–	–
Total borrowings	4,035	(4,044)	9	–	–
Lease liabilities					
Current	2,298	(3,095)	782	734	2,440
Non-current	24,075	–	–	–	22,354
Total lease liabilities	26,373	(3,095)	782	734	24,794
Total liabilities from financing activities	30,408	(7,139)	791	734	24,794

The reclassification of non-current portion of borrowings and lease liabilities are due to passage of time.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2023

Dyna-Mac Holdings Ltd.

Notes to the financial statements
For the financial year ended 31 December 2023

1. General information

Dyna-Mac Holdings Ltd. (the “Company”) is listed on the Main Board of the Singapore Exchange Securities Trading Limited (“SGX-ST”) and is incorporated and domiciled in Singapore. The registered office is at 59 Gul Road, Singapore 629354 and the principal place of business is at 45 Gul Road, Singapore 629350.

The consolidated financial statements relate to the Company and its subsidiaries (collectively, the “Group”).

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries are set out in Note 27 to the financial statements.

2. Summary of material accounting policies

2.1 *Basis of preparation*

These financial statements of the Group and the balance sheet of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I”).

The financial statements have been prepared under the historical cost basis, except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars (“SGD” or “\$”) and all values are rounded to the nearest thousand (\$’000), except when otherwise indicated.

The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

2.2 *Changes in accounting policies*

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 January 2023. The adoption of these standards did not have any effect on the financial performance or position of the Group and the Company.

APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2023

Dyna-Mac Holdings Ltd.

Notes to the financial statements
For the financial year ended 31 December 2023

2. Summary of material accounting policies (cont'd)

2.3 Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Description	Effective for annual periods beginning on or after
Amendments to SFRS(I) 1-1: <i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to SFRS(I) 1-1: <i>Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to SFRS(I) 16: <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to SFRS(I) 10 and SFRS(I) 1-28: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Date to be determined

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

2.4 Group accounting

(a) Subsidiaries

(i) Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

Subsidiaries are entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, viable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on which control ceases.

APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2023

Dyna-Mac Holdings Ltd.

Notes to the financial statements
For the financial year ended 31 December 2023

2. Summary of material accounting policies (cont'd)

2.4 Group accounting (cont'd)

(a) Subsidiaries (cont'd)

(i) Consolidation (cont'd)

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests comprise the portion of a subsidiary's net results of operations and its net assets, which is attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated balance sheet. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

(ii) Acquisitions

The acquisition method of accounting is used to account for business combinations entered into by the Group.

The consideration transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of (i) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree, over (ii) the fair value of the identifiable net assets acquired is recorded as goodwill.

APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2023

Dyna-Mac Holdings Ltd.

Notes to the financial statements
For the financial year ended 31 December 2023

2. Summary of material accounting policies (cont'd)

2.4 Group accounting (cont'd)

(a) Subsidiaries (cont'd)

(iii) Disposals

When a change in the Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income ("OCI") in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to the paragraph "Investments in subsidiaries" for the accounting policy on investments in subsidiaries in the separate financial statements of the Company.

(b) Transactions with non-controlling interests

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Company. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

(c) Associate

An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies.

The Group account for its investment in associate using the equity method from the date on which it becomes an associate.

APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2023

Dyna-Mac Holdings Ltd.

Notes to the financial statements
For the financial year ended 31 December 2023

2. Summary of material accounting policies (cont'd)

2.4 Group accounting (cont'd)

(c) Associate (cont'd)

Under the equity method the investment in associate are carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates. The profit or loss reflects the share of the results of the operations of the associates. Distributions received from associates reduce the carrying amount of the investment. Where there has a change recognised in the other comprehensive income by the associate, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and associate are eliminated to the extent of the interest in the associate.

When the Group's share of losses in an associate equal or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in associate. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or loss.

The financial statements of the associate are prepared as the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

2.5 Foreign currency

The financial statements are presented in Singapore Dollars, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) Transactions and balances

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2023

Dyna-Mac Holdings Ltd.

Notes to the financial statements
For the financial year ended 31 December 2023

2. Summary of material accounting policies (cont'd)

2.5 Foreign currency (cont'd)

(b) Consolidated financial statements

For consolidation purpose, the assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

2.6 Property, plant and equipment

(a) Measurement

All property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

(b) Depreciation

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

Buildings	16 – 42 years
Furniture and fittings and office equipment	5 years
Computers	3 years
Site building and yard improvement	5 – 22 years
Site equipment and tools	5 years
Motor vehicles	5 years

Assets under construction included in property, plant and equipment are not depreciated as these assets are not yet available for use.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

(c) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2023

Dyna-Mac Holdings Ltd.

Notes to the financial statements
For the financial year ended 31 December 2023

2. Summary of material accounting policies (cont'd)

2.6 *Property, plant and equipment (cont'd)*

(d) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss.

2.7 *Intangible assets*

Club membership

Club membership is measured initially at cost. Following initial recognition, club membership is carried at cost less any accumulated amortisation and any accumulated impairment losses. The useful life of club membership is assessed to be 27 years and is reviewed annually to determine whether the useful life assessment continues to be supportable.

Gains or losses arising from de-recognition of club membership is measured as the difference between the net disposal proceeds and the carrying amount of the club membership and are recognised in profit or loss.

2.8 *Investments in subsidiaries*

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Investments in subsidiaries are carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2.9 *Impairment of non-financial assets*

Property, plant and equipment, right-of-use assets and investments in subsidiaries are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs. If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss.

APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2023

Dyna-Mac Holdings Ltd.

Notes to the financial statements
For the financial year ended 31 December 2023

2. Summary of material accounting policies (cont'd)

2.9 *Impairment of non-financial assets (cont'd)*

An impairment loss for an asset (other than goodwill) is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

2.10 *Financial instruments*

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

Debt instruments measured at amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

De-recognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2023

Dyna-Mac Holdings Ltd.

Notes to the financial statements
For the financial year ended 31 December 2023

2. Summary of material accounting policies (cont'd)

2.10 *Financial instruments (cont'd)*

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

(c) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.11 *Impairment of financial assets*

The Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2023

Dyna-Mac Holdings Ltd.

Notes to the financial statements
For the financial year ended 31 December 2023

2. Summary of material accounting policies (cont'd)

2.11 *Impairment of financial assets (cont'd)*

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk. The Group considers a financial asset in default on a case-by-case basis assessment which includes the counterparty going into bankruptcy or a request for a discounted repayment scheme is received due to financial difficulties. Additionally, the Group considers forward-looking factors specific to the debtors and the economic environment. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.12 *Cash and cash equivalents*

Cash and cash equivalents include cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value.

2.13 *Provisions*

Provisions are recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.14 *Employee benefits*

Employee benefits are recognised as an expense as incurred, unless the cost qualifies to be capitalised as an asset.

(a) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2023

Dyna-Mac Holdings Ltd.

Notes to the financial statements
For the financial year ended 31 December 2023

2. Summary of material accounting policies (cont'd)

2.14 *Employee benefits (cont'd)*

(b) Share based payments

Share plans

The Group operates share-based compensation plan. The fair value of the employee services received in exchange for the grant of performance shares is recognised as an expense in the profit and loss account with a corresponding increase in the share reserve over the vesting period. The total amount to be recognised over the vesting period is determined by reference to the fair values of the options, restricted shares and performance shares granted on the respective dates of grant.

At each balance sheet date, the Group revises its estimates of the number of share awards that are expected to vest on the vesting dates, and recognises the impact of the revision of the estimates in the profit and loss account, with a corresponding adjustment to the share reserve over the remaining vesting period.

No expense is recognised for share awards that do not ultimately vest, except share awards where vesting is conditional upon a market condition, which are treated as vested irrespective of whether or not the market condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When share plan awards are released, the share reserve is transferred to share capital if new shares are issued.

2.15 *Government grants*

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by equal annual instalments.

2.16 *Leases*

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2023

Dyna-Mac Holdings Ltd.

Notes to the financial statements
For the financial year ended 31 December 2023

2. Summary of material accounting policies (cont'd)

2.16 Leases (cont'd)

(a) Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

• Office equipment	1 to 5 years
• Yard facilities	14 to 43 years
• Motor vehicles	1 to 3 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment as disclosed in Note 2.9.

(ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2023

Dyna-Mac Holdings Ltd.

Notes to the financial statements
For the financial year ended 31 December 2023

2. Summary of material accounting policies (cont'd)

2.16 Leases (cont'd)

(a) Group as a lessee (cont'd)

(ii) Lease liabilities (cont'd)

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

(b) Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising from operating leases (net of any incentives given to lessees) is recognised in profit or loss on a straight-line basis over the lease term. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

2.17 Revenue

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties. Revenue is presented, net of value-added tax, rebates and discounts, and after eliminating revenue within the Group.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

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2. Summary of material accounting policies (cont'd)

2.17 Revenue (cont'd)

(a) Revenue from construction contracts

Revenue from construction contracts is recognised over time as the Group satisfies its performance obligation. The measure of progress is based on the costs incurred to date as a proportion of total costs expected to be incurred up to the completion of the construction contract.

Progress billings to the customers are based on a payment schedule in the contract and are typically triggered upon achievement of specified construction milestones. A contract asset is recognised when the Group has performed under the contract but has not yet billed the customer. Conversely, a contract liability is recognised when the Group has not yet performed under the contract but has received advanced payments from the customer. Contract assets are transferred to receivables when the rights to consideration become unconditional. Contract liabilities are recognised as revenue as the Group performs under the contract.

The Group accounts for contract modifications arising from change orders to modify the scope or price of the contract as separate contracts if the modification adds distinct goods or services at their standalone selling prices. For contract modifications that add distinct goods or services but not at their standalone selling prices, the Group combines the remaining consideration in the original contract with the consideration promised in the modification to create a new transaction price that is then allocated to all remaining performance obligations. For contract modifications that do not add distinct goods or services, the Group accounts for the modification as continuation of the original contract and is recognised as a cumulative adjustment to revenue at the date of modification.

(b) Rental income

Rental income arising from operating leases (net of any incentive given to the lessees) is accounted for on a straight-line basis over the lease term.

2.18 Taxes

(a) Current income tax

Current income tax liabilities for current and prior periods are measured at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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2. Summary of material accounting policies (cont'd)

2.18 Taxes (cont'd)

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries and associate, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries and associate, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

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2. Summary of material accounting policies (cont'd)

2.18 Taxes (cont'd)

(b) Deferred tax (cont'd)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

(c) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

2.19 Contingencies

A contingent liability is:

- a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or ‘
- b) a present obligation that arises from past events but is not recognised because:
- (i) It is not probably that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group, except for contingent liabilities in a business combination that are present obligations and which the fair values can be reliably determined.

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3. Significant accounting judgements and estimates

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 Judgements made in applying accounting policies

Management is of the opinion that there is no significant judgement made in applying accounting policies and no estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Revenue from construction contracts

The Group recognised revenue for contracts using a measure depicting performance systematically during the period of project, by reference to timing of transferring control of services to customer.

Significant assumption is required to identify the performance obligations of such contract. The Group has identified that the components of the contract is not distinct within the context of the contract, as the Group performs a significant amount of work to integrate the goods or services with other goods or services promised in the contract and goods or services provided are highly interdependent. Hence the Group has identified that the components in contract revenue represent single performance obligation.

Contract revenue for construction contracts is measured by reference to actual cost incurred to date as a percentage of the total estimated costs for the contract. Significant assumptions are required to estimate the total contract costs. In making these estimates, the Group reviewed the status of the project and is satisfied that the estimates are realistic, and the estimates of total contract costs indicate full project recovery, and relied on experience and knowledge of the project engineers.

The carrying amounts of assets and liabilities arising from ongoing construction contracts at the end of each reporting period are disclosed in Note 4 to the financial statements.

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4. Revenue

(a) Disaggregation of revenue

	Module business \$'000	Group Ad-hoc projects \$'000	Total \$'000
Geographical information			
2023			
Asia Pacific	276,926	13,877	290,803
Europe	93,869	385	94,254
Americas	–	114	114
	370,795	14,376	385,171
2022			
Asia Pacific	170,774	16,129	186,903
Europe	99,660	4,910	104,570
	270,434	21,039	291,473
Timing of transfer of goods or service			
2023			
Over time	370,795	14,376	385,171
2022			
Over time	270,434	21,039	291,473

(b) Judgement and methods used in estimating revenue

Recognition of revenue from construction contracts over time

The Group satisfies its construction contracts performance obligations over time. Management has determined that a cost-based input method provides a faithful depiction of the Group's performance in transferring control of the construction projects as it reflects the Group's efforts incurred to date relative to the total inputs expected to be incurred.

The estimated total construction and other related costs are based on contracted amounts and, in respect of amounts not contracted for, management relies on past experience and knowledge of the project engineers to make estimates of the amounts to be incurred. In making these estimates, management takes into consideration the historical trends of the amounts incurred in its other similar construction contracts, analysed by different module types and geographical areas for the past 3 to 5 years.

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4. Revenue (cont'd)

(c) Contract assets and contract liabilities

Information about receivables, contract assets and contract liabilities from contracts with customers are disclosed as follows:

	Group		1 January
	31 December	2022	2022
	\$'000	\$'000	\$'000
Receivables from contracts with customers (Note 11)	30,763	18,481	55,587
Contract assets	1,029	3,446	2,812
Contract liabilities	147,351	127,582	90,651
	148,383		127,582

Information about the Group's and the Company's exposures to credit and currency risks, and impairment losses for trade and other receivables and contract assets are included in Note 24.

Contract assets primarily relate to the Group's right to consideration for work completed but not yet billed at reporting date for construction contracts. Contract assets are transferred to receivables when the rights become unconditional.

Contract liabilities primarily relate to the Group's obligation to transfer goods or services to customers for which the Group has received advances from customers for construction contracts.

Contract liabilities are recognised as revenue as the Group performs under the contract.

Significant changes in contract assets and contract liabilities are explained as follows:

	Group	
	2023	2022
	\$'000	\$'000
Contract assets reclassified to receivables	3,446	2,812
Revenue recognised that was included in the contract liabilities balance at beginning of the year	127,582	90,651
	131,028	

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4. Revenue (cont'd)

(d) Transaction price allocated to remaining performance obligations

The aggregate amount of transaction price allocated to the unsatisfied (or partially unsatisfied) performance obligations as at 31 December 2023 is \$438,206,000 (2022: \$412,294,000). This amount has not included the following:

- Performance obligations for which the Group has applied the practical expedient not to disclose information about its remaining performance obligations if:
 - The performance obligation is part of a contract that has an original expected duration for one year or less, or
 - The Group recognises revenue in the amount to which the Group has a right to invoice customers in amounts that correspond directly with the value to the customer of the Group's performance completed to date.
- Variable consideration that is constrained and therefore is not included in the transaction price.

The Group expects to recognise \$350,969,000 (2022: \$388,136,000) as revenue relating to the transaction price allocated to the unsatisfied (or partially unsatisfied) performance obligations as at 31 December within one year from the respective financial year end.

5. Other income and expenses

	Group	
	2023	2022
	\$'000	\$'000
Other income		
Interest income – bank deposits	4,463	1,333
Rental income – warehouse, office and container	131	128
Government grants	1,101	2,931
Sale of scrap metals	1,632	1,466
Others	95	4
	7,422	5,862
Other expenses		
Loss on disposal of property, plant and equipment	(42)	(102)
Property, plant and equipment written off	(36)	–
Write-off of club membership	(14)	–
Foreign exchange loss, net	(314)	(89)
	(406)	(191)

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6. Finance expenses

	Group	
	2023 \$'000	2022 \$'000
Interest expense on:		
– Bank borrowings	–	9
– Lease liabilities (Note 16)	101	5
	101	14

7. Profit before tax

Profit before tax is determined after charging/(crediting) the following:

	Group	
	2023 \$'000	2022 \$'000
<u>Expenses by nature</u>		
Sub-contractor charges	133,697	91,275
Materials	138,846	124,150
Direct overheads	15,816	12,951
Employee compensation (Note 8)	47,301	36,907
Expenses relating to short-term leases (Note 16)	16,261	4,859
Interest expenses on lease liabilities (Note 16)	906	777
Depreciation of right-of-use assets included in:		
– Cost of sales	2,456	2,503
– Administrative expenses	132	59
Depreciation of property, plant and equipment included in:		
– Cost of sales	5,481	5,550
– Administrative expenses	285	1,568
Amortisation of club membership	1	1
Transportation and travelling	589	581
Auditors' remuneration		
– Auditors of the Company	207	192
– Other auditors of the subsidiaries	31	34
Non-audit fees		
– Auditors of the Company	43	65
Legal and professional fees	731	314
Entertainment and refreshment	73	56
Property tax	876	876
Insurance	1,003	752
Write-back of expected credit losses on trade and other receivables (Note 11)	–	(197)
Other expenses	2,080	2,046
	366,815	285,319

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8. Employee compensation

	Group	
	2023 \$'000	2022 \$'000
Short-term employee benefits	40,795	31,725
Post-employment benefits	5,324	4,610
Share-based payment (Note 20)	1,182	572
	47,301	36,907
	47,301	36,907

9. Income tax credit

	Group	
	2023 \$'000	2022 \$'000
Current income tax		
– Current year income tax	138	205
– Under provision in respect of prior years	–	1
	138	206
Deferred tax assets		
– Recognition of tax effect from previously unrecognised tax losses	(3,768)	(1,800)
	(3,630)	(1,594)
	(3,630)	(1,594)

A reconciliation between income tax credit and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 December 2023 and 2022 is as follows:

	Group	
	2023 \$'000	2022 \$'000
Profit before tax	25,061	11,811
	25,061	11,811
Tax calculated at rate of 17% (2022: 17%)	4,260	2,008
Effects of:		
Different tax rates in other countries	95	114
Expenses not deductible for tax purposes	1,676	1,793
Income not subject to tax	(179)	(342)
Under provision in respect of prior years	–	1
Benefits from previously unrecognised tax losses and capital allowances	(9,485)	(5,167)
Share of results of an associate	36	–
Others	(33)	(1)
	(3,630)	(1,594)
	(3,630)	(1,594)

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10. Cash and cash equivalents

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Cash at bank and on hand	47,421	76,920	599	805
Short-term bank deposits	168,682	108,512	–	3,500
	216,103	185,432	599	4,305

Short term deposits are made for varying periods, depending on the immediate cash requirements of the Group and the Company, and earn interest at the respective short-term bank deposit rates. The weighted average effective interest rates as at 31 December 2023 for the Group and the Company were 3.82% (2022: 1.97%) per annum and nil (2022: 3.26 %) per annum respectively.

As at 31 December 2023, the Group issued bank guarantees amounting to \$34,348,000 (2022: \$15,679,000) in connection with its contracts with customers. No liability is expected to arise.

11. Trade and other receivables

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Trade receivables				
– Non-related parties	28,283	15,850	–	–
– Related party	2,480	2,631	–	–
	30,763	18,481	–	–
Other receivables				
Non-trade amounts due from subsidiary	–	–	10,000	–
Advances to subsidiaries	–	–	1,185	3
GST receivables	3,309	1,722	–	–
Interest receivables	1,032	951	–	13
Staff loans	28	29	–	–
Other receivables – Non-related parties	2,743	8,955	–	–
	7,112	11,657	11,185	16
	37,875	30,138	11,185	16

Trade receivables are non-interest bearing and are generally on 30 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

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11. Trade and other receivables (cont'd)

Related party refer to companies controlled by a corporate shareholder.

Non-trade amounts due from subsidiary relates to dividend income receivable from a subsidiary.

The advances to subsidiaries are unsecured, interest-free and repayable on demand.

Included in other receivables (non-related parties) are advances to suppliers of \$2,273,000 (2022: \$8,942,000).

Set out below is the movement in allowance for expected credit losses of other receivables:

	Group	
	2023	2022
	\$'000	\$'000
Beginning of financial year	–	(331)
Write-off of expected credit losses	–	134
Write-back of expected credit losses	–	197
End of financial year	–	–

Set out below is the movement in allowance for expected credit losses of advances to subsidiaries:

	Company	
	2023	2022
	\$'000	\$'000
Beginning of financial year	–	(5,618)
Write-back of expected credit losses	–	5,618
End of financial year	–	–

Write-back of expected credit losses were made when the related debts are recovered.

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12. Other current/non-current assets

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
(a) Other current assets				
Deposits	732	811	–	–
Prepayments	240	320	10	14
	972	1,131	10	14
(b) Other non-current assets				
Advance payment	7,909	–	7,909	–

Advance payment relates to payment made for acquisition of shares in Exterran Offshore Pte. Ltd. (“Exterran”). Details are included in Note 28(ii).

13. Investments in subsidiaries

	Company	
	2023 \$'000	2022 \$'000
<u>Shares, at cost</u>		
Beginning of financial year	131,433	131,433
Strike off of subsidiaries	(17,706)	–
End of financial year	113,727	131,433
<u>Impairment losses</u>		
Beginning of financial year	(19,430)	(38,017)
Reversal during the year	–	18,587
Strike off of subsidiaries during the year	17,706	–
End of financial year	(1,724)	(19,430)
Net investments in subsidiaries	112,003	112,003

Details of the Group’s subsidiaries are included in Note 27.

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13. Investments in subsidiaries (cont'd)

Impairment of investments in subsidiaries

In 2022, the Company reversed impairment losses of \$18,587,000 in respect of the investment in a subsidiary following a review of its recoverable amounts. The recoverable amounts for these subsidiaries were determined based on its fair value less cost to sell. The fair value less cost to sell is determined by reference to the estimated net realisable values of the net assets of the subsidiaries.

Deemed disposal of a subsidiary

The Group through its wholly owned subsidiary, Dyna-Mac Offshore Engineering (Shanghai) Co., Ltd. ("DMOE") held a 51% equity interest in DM-CMHI Offshore Engineering (Jiangsu) Co., Ltd. ("DM-CMHI"). The other shareholder of DM-CMHI is China Merchants Heavy Industry Holdings Ltd. ("CMHIH").

On 20 October 2023, the Chairman and legal representative of DM-CMHI was changed from a representative from the Group to a representative from CMHIH. The Group had also relinquished a board seat as well as a seat on the Executive Committee of DM-CMHI, which oversees the day-to-day operations of DM-CMHI, to CMHIH and no longer holds majority on both the Board and the Executive Committee of DM-CMHI. Arising from these changes, the Group has assessed that it no longer controls DM-CMHI.

As the Group continues to have significant influence through board representation, the Group has accounted for its investment in DM-CMHI as an associate.

The effects of the deemed disposal on the cash flows of the Group is as follows:

	Group At 20 October 2023 \$'000
Carrying amounts of assets and liabilities as at the date of deemed disposal	
Cash and bank balances	545
Trade and other receivables	31,073
Other current assets	3
Total assets	31,621
Trade and other payables	7,576
Contract liabilities	22,863
Total liabilities	30,439

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13. Investments in subsidiaries (cont'd)

	Group At 20 October 2023 \$'000
Net assets derecognised	1,182
Less: Non-controlling interests	(579)
	603
Net assets disposed of	603
Net assets disposed of	603
Reclassification of currency translation reserve	42
	645
Total assets	645
Recognition subsequent to deemed disposal:	
Investment in associate	603
Loss on deemed disposal	42
Cashflow from deemed disposal:	
Cash proceeds from deemed disposal	–
Less: Cash and bank balances in subsidiary disposed of	(545)
	(545)
Net cash outflow on deemed disposal	(545)

The Group has derecognised the net assets, liabilities and non-controlling interest in DM-CMHI and has recognised the investment retained at its fair value.

The fair value of retained interest amounted to \$603,000 (Note 14). The Group has engaged an independent valuer to determine the fair value of the net identifiable assets of DM-CMHI. As at the date of audit report, the valuation has been completed and a loss on deemed disposal of a subsidiary amounted to \$42,000 has been recognised in the statement of comprehensive income.

14. Investment in an associate

	2023 \$'000
Fair value of retained interest upon deemed disposal of a subsidiary (Note 13)	603
Add: Share of post-acquisition reserves	(210)
	393
	393

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14. Investment in an associate (cont'd)

Name	Principal activities	Country of incorporation	% of ownership interest	
			2023	2022
Held by the company			%	%
DM-CMHI Offshore Engineering (Jiangsu) Co., Ltd. ("DM-CMHI")	Contractors for project management, engineering, fabrication and installation of marine works	People's Republic of China	51	–

As disclosed in Note 13, the Group had assessed and deemed it has lost control of DM-CMHI due to changes in board and executive committee representation and has accounted for its investment in DM-CMHI as an associate.

The summarised information below represents the amount presented in the financial statements of the associate (and not the Group's share of those amounts) adjusted for differences in accounting policies between the Group and the associate.

	2023 \$'000
<u>Summarised balance sheet</u>	
Current assets	10,975
Current liabilities	(10,204)
Net assets	<u>771</u>
Proportion of the Group's ownership	<u>51%</u>
Group's share of net assets	<u>393</u>
<u>Summarised statement of comprehensive income</u>	
Revenue	41,799
Loss before tax	(545)
Income tax credit	133
Loss after tax, representing total comprehensive income	<u>(412)</u>

The information presented in the above table includes the results of DM-CMHI only for the period from 20 October 2023 to 31 December 2023.

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15. Property, plant and equipment

	Buildings \$'000	Furniture and fittings and office equipment \$'000	Computers \$'000	Site building and yard improvement \$'000	Site equipment and tools \$'000	Motor vehicles \$'000	Assets under construction \$'000	Total \$'000
Group								
2023								
Cost								
Beginning of financial year	15,470	6,154	7,317	81,070	28,546	1,390	–	139,947
Currency translation difference	–	–	(1)	–	(4)	–	–	(5)
Additions	2	3	641	981	1,637	–	1,986	5,250
Disposals	–	(90)	–	(149)	(625)	–	–	(864)
Written off	–	(443)	(3,135)	(14)	(376)	(423)	–	(4,391)
End of financial year	15,472	5,624	4,822	81,888	29,178	967	1,986	139,937
<i>Accumulated depreciation</i>								
Beginning of financial year	10,466	5,832	6,779	60,156	26,659	1,389	–	111,281
Currency translation difference	–	–	(1)	–	(4)	–	–	(5)
Charge for the financial year	975	164	364	3,419	843	1	–	5,766
Disposals	–	(72)	–	(117)	(625)	–	–	(814)
Written off	–	(420)	(3,129)	(14)	(369)	(423)	–	(4,355)
End of financial year	11,441	5,504	4,013	63,444	26,504	967	–	111,873
Net book value								
End of financial year	4,031	120	809	18,444	2,674	–	1,986	28,064

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15. Property, plant and equipment (cont'd)

	Buildings \$'000	Furniture and fittings and office equipment \$'000	Computers \$'000	Site building and yard improvement \$'000	Site equipment and tools \$'000	Motor vehicles \$'000	Total \$'000
Group							
2022							
Cost							
Beginning of financial year	15,470	6,048	7,075	80,773	29,586	1,390	140,342
Currency translation differences	–	–	(3)	(5)	(47)	–	(55)
Additions	–	106	245	902	1,285	–	2,538
Disposals	–	–	–	(600)	(1,882)	–	(2,482)
Written off	–	–	–	–	(396)	–	(396)
End of financial year	15,470	6,154	7,317	81,070	28,546	1,390	139,947
<i>Accumulated depreciation</i>							
Beginning of financial year	9,491	5,552	6,467	55,835	28,197	1,388	106,930
Currency translation differences	–	–	(2)	(5)	(47)	–	(54)
Charge for the financial year	975	280	314	4,769	779	1	7,118
Disposals	–	–	–	(443)	(1,874)	–	(2,317)
Written off	–	–	–	–	(396)	–	(396)
End of financial year	10,466	5,832	6,779	60,156	26,659	1,389	111,281
Net book value							
End of financial year	5,004	322	538	20,914	1,887	1	28,666

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15. Property, plant and equipment (cont'd)

As at 31 December 2023, the Group had outstanding payables amounting to \$2,328,000 (2022: \$299,000) in relation to the acquisition of property, plant and equipment during the year.

Assets pledged as security

The Group's West Yard and Main Yard with a carrying amount of \$10,191,000 (2022: \$10,985,000) and \$15,074,000 (2022: \$17,139,000) respectively, are mortgaged to secure the Group's banking facilities.

16. Leases

Group as a lessee

The Group leases various items of office equipment, vehicles and yard facilities. The leases have varying terms, escalation clauses and renewal rights. Leases of yard facilities typically have a lease term between 14 to 43 years (2022: 16 to 23 years), while office equipment and motor vehicles generally have lease terms between 1 to 5 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. There are no significant judgements placed on extension clauses in these lease contracts.

The Group also has certain leases of office and dormitory with lease terms of 12 months or less. The Group applies the 'short-term lease' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Land \$'000	Office equipment \$'000	Total \$'000
As at 1 January 2022	25,098	214	25,312
Lease modifications	734	–	734
Depreciation charge	(2,509)	(53)	(2,562)
	<hr/>	<hr/>	<hr/>
As at 31 December 2022	23,323	161	23,484
Additions	11,689	–	11,689
Lease modifications	13,137	–	13,137
Depreciation charge	(2,535)	(53)	(2,588)
	<hr/>	<hr/>	<hr/>
As at 31 December 2023	45,614	108	45,722

The Group had secured a new long-term lease of a land along Gul Road from Jurong Town Corporation ("JTC") in the current year. The Group's existing yard leases along Gul Road have also concurrently been extended till 2050. As part of the strategic reorganisation of the Group's facilities, Dyna-Mac will return its Pandan Crescent yard to JTC within five years from lease commencement of the new yard.

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16. Leases (cont'd)

Group as a lessee (cont'd)

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	Group	
	2023 \$'000	2022 \$'000
Beginning of financial year	24,794	26,373
Additions	11,689	–
Modification of lease liabilities	13,137	734
Accretion of interest	1,007	782
Payments	(3,171)	(3,095)
	47,456	24,794
	47,456	24,794
Current	1,655	2,440
Non-current	45,801	22,354
	47,456	24,794

The maturity analysis of lease liabilities is disclosed in Note 24(c).

The following are the amounts recognised in profit or loss:

	Group	
	2023 \$'000	2022 \$'000
Depreciation expenses	2,588	2,562
Interest expenses on lease liabilities included in:		
– Cost of sales	906	777
– Finance expenses	101	5
Expenses relating to short-term leases included in:		
– Cost of sales	16,179	4,779
– Administrative expenses	82	80
	19,856	8,203
	19,856	8,203
Total cash outflow for principal portion of lease liabilities	2,164	2,313
	2,164	2,313

There are no low value assets during the financial years ended 31 December 2023 and 2022.

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17. Trade and other payables

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Trade payables	19,966	30,882	4	5
Amount due to related parties	18	18	–	–
Amount due to a subsidiary	–	–	7,909	7
Accrued operating expenses	52,557	43,105	400	208
Retention payables	7,466	4,487	–	–
Other payables	20	482	–	–
	80,027	78,974	8,313	220

Trade payables are non-interest bearing and are normally settled on 30 days terms.

Amount due to related parties and amount due to a subsidiary are unsecured, interest-free and repayable on demand.

18. Deferred capital and grants income

	Group	
	2023 \$'000	2022 \$'000
Beginning of financial year	124	273
Amortisation	(124)	(149)
End of financial year	–	124
Current	–	124

Government grants relates to cash received for the purchase of certain items of property, plant and equipment. There are no unfulfilled conditions or contingencies attached to these grants.

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19. Deferred tax assets/(liabilities)

Deferred tax assets are recognised for tax losses and capital allowances carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group has unutilised tax losses of approximately \$178,000 (2022: \$50,553,000) at the balance sheet date which can be carried forward and used to offset against future taxable income subject to meeting certain requirements by the relevant tax authorities, for which no deferred tax has been recognised. The unutilised tax losses have no expiry date except for unutilised tax losses of \$158,000 (2022: \$896,000) which expire between 2024 to 2028 (2022: 2024 to 2027).

The movement in deferred tax assets and deferred tax liabilities (prior to offsetting of balances within the same tax jurisdiction) is as follows:

	Group	
	2023	2022
	\$'000	\$'000
<i>Deferred tax assets</i>		
Unutilised tax losses	7,068	3,300
<hr/>		
<i>Deferred tax liabilities</i>		
<u>Differences in depreciation for tax purposes</u>		
Beginning of financial year	(14)	(5)
Exchange differences	2	(9)
<hr/>		
End of financial year	(12)	(14)
<hr/>		

20. Share capital

	2023		2022	
	No. of ordinary shares '000	Amount \$'000	No. of ordinary shares '000	Amount \$'000
Beginning of financial year	1,030,509	146,096	1,026,554	145,605
Issuance of new shares under share-based payment	6,415	984	3,955	491
<hr/>				
End of financial year	1,036,924	147,080	1,030,509	146,096
<hr/>				

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company.

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20. Share capital (cont'd)

Dyna-Mac Share Plans

Dyna-Mac Share Award Scheme 2021 (DMSAS 2021) was approved by the Company's shareholders at the Extraordinary General Meeting of the Company on 29 April 2021. The share plan is administered by the Remuneration Committee.

The details of the plan are as follows:

Plan Description	Award of fully paid ordinary shares of the Company, conditional on achievement of pre-determined targets over a 3-year performance period
Performance Conditions	(1) Net order book (2) Cashflow (3) Profit before tax Project completion
Final award	100% of the award granted
Vesting condition and schedule	Award will vest equally over 3 years subject to fulfilment of performance conditions. 2021 Grant All three tranches have vested from FY2021 to FY2023. – 2022 Grant The first and second tranches have vested in FY2022 and FY2023 respectively. – 2023 Grant The first tranche has vested in FY2023. –

The share awards vest if and when the Group's performance conditions met within 2 years from the date of grant and the eligible employees remains employed on such date. The share awards granted will not vest if the performance condition is not met.

The fair value of the share award is estimated at the grant date using the market value of shares of the Company.

The aggregate number of shares over which share award may be granted on any date, when added to the number of shares issued and issuable in respect of all share award granted under DMSAS 2021, shall not exceed 15% of the issued shares of the Company on the day preceding that date.

On 16 July 2021, the Company granted awards of 10,029,000 shares under DMSAS 2021. The estimated fair value of the shares granted was \$0.10.

On 8 July 2022, the Company granted awards of 1,717,500 shares under DMSAS 2021. The estimated fair value of the shares granted was \$0.20.

On 15 August 2022, the Company granted awards of 882,000 shares under DMSAS 2021. The estimated fair value of the shares granted was \$0.22.

On 28 February 2023, the Company granted awards of 8,374,800 shares under DMSAS 2021. The estimated fair value of the shares granted was \$0.20.

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20. Share capital (cont'd)

The expense recognised during the year is shown in the following table:

	2023 \$'000	2022 \$'000
Share-based payment expenses	1,182	572

	2023 Number of shares '000	2022 Number of shares '000
Beginning of financial year	4,771	6,686
Granted during the year	8,375	2,600
Vested during the year	(6,415)	(3,955)
Cancelled during the year	(394)	(560)
End of financial year	6,337	4,771

21. Other reserves

	Group	
	2023 \$'000	2022 \$'000
(a) Composition:		
Foreign currency translation reserve	366	345
Share-based payment reserve	558	360
	924	705
(b) Movements:		
(i) Foreign currency translation reserve		
Beginning of financial year	345	391
Net currency translation differences of financial statements of foreign subsidiaries	(42)	(131)
Non-controlling interests	21	85
Deemed disposal of a subsidiary	42	–
	21	(46)
End of financial year	366	345

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21. Other reserves (cont'd)

	Group	
	2023	2022
	\$'000	\$'000
(b) Movements (cont'd):		
(ii) Share-based payment reserve		
Beginning of financial year	360	279
Share-based payment expenses	1,182	572
Issuance of new shares under share-based payment	(984)	(491)
End of financial year	558	360

22. Earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares during the financial year.

For purposes of calculating diluted earnings per share, the weighted average number of ordinary shares is adjusted to take into account the effects of dilutive potential ordinary shares issuable under exercise of warrants.

	Group	
	2023	2022
	\$'000	\$'000
Net profit attributable to equity holders of the Company	28,488	13,068
Weighted average number of ordinary shares used in the calculation of basic earnings per share ('000)	1,035,528	1,028,189
Adjustment for:		
Potential ordinary shares issuable under exercise of warrants ('000)	103,928	16,502
Weighted average number of ordinary shares outstanding used in the calculation of diluted earnings per share ('000)	1,139,456	1,044,691
Basic earnings per share (cents per share)	2.75	1.27
Diluted earnings per share (cents per share)	2.50	1.25

Comparative information has been restated to include dilutive potential ordinary shares for comparison purpose.

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23. Dividend

A final cash dividend of 0.83 cents (2022: 0.29) per share tax exempt one-tier in respect of the financial year ended 31 December 2023 has been proposed for approval by shareholders at the next annual general meeting to be convened.

	2023	2022
	\$'000	\$'000
Cash dividend on ordinary shares declared and paid:		
Final tax exempt (one-tier) cash dividend for 2022: 0.29 cents per share (2021: Nil cent per share)	3,005	–
	3,005	–
Proposed dividend on ordinary share:		
Final tax exempt (one-tier) cash dividend for 2023: 0.83 cents per share (2022: 0.29 cents per share)	8,606	2,988
	8,606	2,988

24. Financial risk management

Financial risk factors

The Group's activities expose it to market risk (including currency risk and interest rate risk), credit risk, liquidity risk and capital risk. The Group's overall risk management strategy seeks to minimise any adverse effects from the unpredictability of financial markets on the Group's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group. The senior management then establishes the detailed policies such as authority levels, oversight responsibilities, risk identification and measurement, exposure limits and hedging strategies, in accordance with the objectives and underlying principles approved by the Board of Directors.

(a) Market risk

(i) *Currency risk*

The Group operates in Asia with dominant operations in Singapore. Entities in the Group regularly transact in currencies other than the Singapore Dollar ("SGD"), which is the functional currency of most of the companies in the Group.

Currency risk arises within entities in the Group when transactions are denominated in foreign currencies. The Group manages the foreign exchange exposure by keeping cash balances in different currencies and maintaining a policy of matching as far as possible, receipts and payments in each currency.

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24. Financial risk management (cont'd)

(a) Market risk (cont'd)

(i) *Currency risk (cont'd)*

The Group's currency exposure based on the information provided to key management is as follows:

	SGD \$'000	USD \$'000	EUR \$'000	CNY \$'000	Others \$'000	Total \$'000
Group						
31 December 2023						
Financial assets						
Cash and cash equivalents	186,301	29,306	–	482	14	216,103
Trade and other receivables	19,721	12,515	–	27	30	32,293
Deposits	732	–	–	–	–	732
Total financial assets	206,754	41,821	–	509	44	249,128
Financial liabilities						
Trade and other payables	75,659	3,856	387	87	38	80,027
Lease liabilities	47,454	–	–	2	–	47,456
Total financial liabilities	123,113	3,856	387	89	38	127,483
Net financial assets/(liabilities) and currency profile of financial instruments	83,641	37,965	(387)	420	6	121,645
Group						
31 December 2022						
Financial assets						
Cash and cash equivalents	149,382	28,970	–	7,066	14	185,432
Trade and other receivables	7,318	–	–	12,124	31	19,473
Deposits	811	–	–	–	–	811
Total financial assets	157,511	28,970	–	19,190	45	205,716
Financial liabilities						
Trade and other payables	58,470	286	4,883	15,297	38	78,974
Lease liabilities	24,787	–	–	7	–	24,794
Total financial liabilities	83,257	286	4,883	15,304	38	103,768
Net financial assets/(liabilities) and currency profile of financial instruments	74,254	28,684	(4,883)	3,886	7	101,948

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24. Financial risk management (cont'd)

(a) Market risk (cont'd)

(i) *Currency risk (cont'd)*

If USD, EUR and CNY changes against the SGD by 5% (2022: 5%) with all other variables including tax rate being held constant, the effects to the Group's profit after tax arising from the net financial asset/liability position at balance sheet date will be as follows:

	<u>2023</u> Increase/ (decrease) in profit after tax \$'000	<u>2022</u> Increase/ (decrease) in profit after tax \$'000
<u>Group</u>		
USD against SGD		
– Strengthened	1,898	1,434
– Weakened	(1,898)	(1,434)
EUR against SGD		
– Strengthened	(19)	(244)
– Weakened	19	244
CNY against SGD		
– Strengthened	21	194
– Weakened	(21)	(194)

The Company is not exposed to significant currency risk as it transacts mainly in SGD, which is the functional currency of the Company.

(b) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk arises primarily from trade and other receivables, and contract assets. For other financial assets (including cash and short-term deposits), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

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24. Financial risk management (cont'd)

(b) Credit risk (cont'd)

The Group determines the default event on a financial asset on a case-by-case basis assessment which includes the counterparty going into bankruptcy or a request for a discounted repayment scheme is received due to financial difficulties.

The Group determined that its financial assets are credit-impaired when:

- There is significant difficulty of the issuer or the debtor
- A breach of contract, such as a default or past due event
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- There is a disappearance of an active market for that financial asset because of financial difficulty

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans and receivables have been written off, the Group continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. Selective hedging is used within the Group to manage risk concentrations at both the relationship and industry levels. The Group does not apply hedge accounting.

Exposure to credit risk

The credit risk for trade receivables based on the information provided to senior management is as follows:

	Group	
	2023	2022
	\$'000	\$'000
<i>By types of customers</i>		
Related party	2,480	2,631
Non-related parties – Multi-national companies	28,283	15,850
	30,763	18,481

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Notes to the financial statements
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24. Financial risk management (cont'd)

(b) Credit risk (cont'd)

The trade receivables of the Group comprise 3 debtors (2022: 3 debtors) that represented 92% (2022: 99%) of trade receivables. As the Group and Company do not hold any collaterals, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the balance sheet.

(i) Financial assets that are neither past due nor impaired

Bank deposits that are neither past due nor impaired are mainly deposits with banks with high credit-ratings assigned by international credit-rating agencies. Trade receivables that are neither past due nor impaired are substantially due from companies with a good collection track record with the Group. The Group has no trade receivables past due or impaired that were re-negotiated during the financial year.

(ii) Financial assets that are past due and/or impaired

There is no other class of financial assets that is past due and/or impaired except for trade receivables and advance to subsidiaries (Note 11).

The age analysis of trade receivables past due but not impaired is as follows:

	Group	
	2023	2022
	\$'000	\$'000
Past due up to 3 months	721	656
Past due 3 to 6 months	1,782	–

(c) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by banking facilities.

The Group and the Company manages its liquidity risk by maintaining sufficient cash and bank balances, maintaining a stand-by banking facilities and by continuously monitoring actual cash flows against forecasts.

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24. Financial risk management (cont'd)

(c) Liquidity risk (cont'd)

The table below summarises the maturity profile of the Group's and the Company's financial assets used for managing liquidity risk and financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	Group			Total \$'000
	Less than 1 year \$'000	Between 1 and 5 years \$'000	More than 5 years \$'000	
<u>2023</u>				
Financial assets:				
Cash and cash equivalents (Note 10)	216,103	–	–	216,103
Trade and other receivables (Note 11)	32,293	–	–	32,293
Deposits (Note 12)	732	–	–	732
Total undiscounted financial assets	249,128	–	–	249,128
Financial liabilities:				
Trade and other payables (Note 17)	80,027	–	–	80,027
Lease liabilities	3,990	18,571	60,203	82,764
Total undiscounted financial liabilities	84,017	18,571	60,203	162,791
Net undiscounted financial assets/(liabilities)	165,111	(18,571)	(60,203)	86,337

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24. Financial risk management (cont'd)

(c) Liquidity risk (cont'd)

	Group			Total \$'000
	Less than 1 year \$'000	Between 1 and 5 years \$'000	More than 5 years \$'000	
<u>2022</u>				
Financial assets:				
Cash and cash equivalents (Note 10)	185,432	–	–	185,432
Trade and other receivables (Note 11)	19,473	–	–	19,473
Deposits (Note 12)	811	–	–	811
Total undiscounted financial assets	205,716	–	–	205,716
Financial liabilities:				
Trade and other payables (Note 17)	78,974	–	–	78,974
Lease liabilities	3,166	15,655	9,763	28,584
Total undiscounted financial liabilities	82,140	15,655	9,763	107,558
Net undiscounted financial assets/(liabilities)	123,576	(15,655)	(9,763)	98,158

The Company's financial assets and financial liabilities as disclosed in Note 24(f) have a maturity profile of less than a year.

(d) Capital risk

The objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, obtain new borrowings. The Group's current strategy remains unchanged from the previous financial year.

Management monitors capital based on gearing ratio, which is calculated as total debts divided by total capital. Total debts refers to total borrowings and lease liabilities (Note 16), total equity refers to total equity attributable to the owners of the Company, while total capital is calculated as total equity plus total debts.

	Group	
	2023 \$'000	2022 \$'000
Total debts	47,456	24,794
Total equity	69,898	43,212
Total capital	117,354	68,006
Gearing ratio	40%	36%

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24. Financial risk management (cont'd)

(e) Fair value measurements

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- (i) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- (ii) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- (iii) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group and the Company does not have any financial assets or financial liabilities that are measured at fair values during or at the end of the financial year.

(f) Financial instruments by category

The carrying amount of the different categories of financial instruments is as follows:

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Total financial assets at amortised cost	249,128	205,716	11,784	4,321
Total financial liabilities at amortised cost	127,483	103,768	8,313	220

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25. Related party transactions

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties:

(a) Sales and purchases of goods and services

Other than those disclosed elsewhere in the financial statements, the Group had the following significant related party transactions on terms agreed during the financial year:

	Group	
	2023	2022
	\$'000	\$'000
<u>Transactions with a corporate shareholder and its related companies</u>		
Fabrication of topside modules and other ad-hoc services rendered	13,674	8,856
Sub-contracting and other ad-hoc services procured	(3,590)	(465)
<u>Transactions with related company of a director</u>		
Corporate secretarial services procured	(58)	(61)
	(58)	(61)

Outstanding balances as at the end of the financial year, arising from transactions with other related parties, are unsecured and recoverable/payable within 12 months from balance sheet date and are disclosed in Notes 11 and 17 respectively.

(b) Key management personnel compensation

Key management personnel compensation is analysed as follows:

	Group	
	2023	2022
	\$'000	\$'000
Directors		
Short-term employee benefits	2,603	1,066
Post-employment benefits	26	29
Share-based payments	429	209
	3,058	1,304
Senior Management		
Short-term employee benefits	1,787	1,549
Post-employment benefits	117	89
Share-based payments	226	117
	2,130	1,755
	5,188	3,059

Included in directors' short-term employee benefits is an amount of \$1,023,000 (2022: \$Nil) relating to employee benefits which will be settled in shares after year end. As at the date of this report, no shares have been issued in connection with this.

**APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP
FOR FY2023**

Dyna-Mac Holdings Ltd.

**Notes to the financial statements
For the financial year ended 31 December 2023**

26. Segment information

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions.

The Board of Directors considers the business from a business segment perspective. Management manages and monitors the business in the two primary business segments: Module business and Ad-hoc projects.

The segment information provided to the Board of Directors for the reportable segments is as follows:

	Module business \$'000	Ad-hoc projects \$'000	Total \$'000
2023			
Revenue			
Segment revenue to external parties	370,795	14,376	385,171
Segment gross profit	41,318	8,773	50,091
<hr/>			
2022			
Revenue			
Segment revenue to external parties	270,434	21,039	291,473
Segment gross profit	21,794	9,829	31,623
<hr/>			

(a) Reconciliations

A reconciliation of segment gross profit to net profit is as follows:

	Group	
	2023 \$'000	2022 \$'000
Segment gross profit for reportable segments	50,091	31,623
Other income	7,422	5,862
Other expenses	(406)	(191)
Administrative expenses	(31,735)	(25,469)
Finance expenses	(101)	(14)
Share of results of an associate	(210)	–
	<hr/>	
Profit before tax	25,061	11,811
Income tax credit	3,630	1,594
	<hr/>	
Net profit	28,691	13,405
	<hr/>	

**APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP
FOR FY2023**

Dyna-Mac Holdings Ltd.

Notes to the financial statements
For the financial year ended 31 December 2023

26. Segment information (cont'd)

(b) Geographical information

The Group's revenue, based on the customers' location, are mainly in Europe (Norway, Netherlands and United Kingdom) and Asia Pacific (Singapore, Malaysia, Thailand and China).

	2023	2022
	\$'000	\$'000
Asia Pacific	290,803	186,903
Europe	94,254	104,570
Americas	114	–
	<hr/>	<hr/>
	385,171	291,473
	<hr/>	<hr/>

The Group's non-current assets are located mainly in Singapore as at 31 December 2023 and 2022.

(c) Revenue from major customers

For the year ended 31 December 2023, the Group generates revenues from transactions with three (2022: three) major customers, making up greater than 10% of the Group's revenue, amounting to a total of \$340,141,000 (2022: \$270,447,000).

**APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP
FOR FY2023**

Dyna-Mac Holdings Ltd.

Notes to the financial statements
For the financial year ended 31 December 2023

27. Listing of companies in the Group

Name	Principal activities	Country of business/ incorporation	Proportion of ordinary shares directly held by parent		Proportion of ordinary shares directly held by the Group		Proportion of ordinary shares directly held by non-controlling interests	
			2023	2022	2023	2022	2023	2022
Held by the company			%	%	%	%	%	%
Dyna-Mac Engineering Services Pte. Ltd. ^(a)	Contractors for project management, engineering, fabrication and installation of land and marine works	Singapore	100	100	100	100	–	–
Dyna-Mac Marine and Heavy Engineering Pte. Ltd. ^(b)	Contractors for project management, engineering, fabrication and installation of marine works	Singapore	–	100	–	100	–	–
Dyna-Mac Offshore Services Pte. Ltd. ^(a)	Contractors for repair and marine works	Singapore	100	100	100	100	–	–
DM Haven Automation Industries (S) Pte. Ltd. ^(b)	Repair of ships, tankers and other ocean-going vessels, manufacture and repair of marine engine and ship parts, and the provision of manpower resources for shipping-related projects	Singapore	–	100	–	100	–	–
Dyna-Mac Keppel Philippines Inc. ^(c)	Contractors for project management, engineering, fabrication and installation of land and marine works	Philippines	60	60	60	60	40	40

**APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP
FOR FY2023**

Dyna-Mac Holdings Ltd.

Notes to the financial statements
For the financial year ended 31 December 2023

27. Listing of companies in the Group (cont'd)

Name	Principal activities	Country of business/ incorporation	Proportion of ordinary shares directly held by parent		Proportion of ordinary shares directly held by the Group		Proportion of ordinary shares directly held by non- controlling interests	
			2023 %	2022 %	2023 %	2022 %	2023 %	2022 %
Held by subsidiaries								
Dyna-Mac Offshore Engineering (Shanghai) Co., Ltd (d)	Contractors for project management, engineering, fabrication and installation of land and marine work	People's Republic of China	–	–	100	100	–	–
Dyna-Mac Heavy Industry (Jiangsu) Co., Ltd (d)	Contractors for project management, engineering, fabrication and installation of land and marine work	People's Republic of China	–	–	100	100	–	–
DM-CMHI Offshore Engineering (Jiangsu) Co., Ltd (e)	Contractors for project management, engineering, fabrication and installation of marine works	People's Republic of China	–	–	–	51	49	49

(a) Audited by Ernst & Young LLP, Singapore

(b) Striked off during the year

(c) In the process of liquidation

(d) Audited by Crowe China Certified Public Accountants (LLP), China (Shanghai Branch)

(e) Deemed disposed during the year due to loss of control

APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2023

Dyna-Mac Holdings Ltd.

Notes to the financial statements
For the financial year ended 31 December 2023

28. Subsequent events

- (i) On 3 January 2024, the Company has obtained approval from Singapore Exchange Trading (“SGX-ST”) for bonus warrants issue of one warrant for every five existing shares at an exercise price of 15 cents for each warrant into a new share. On 23 January 2024, a total of 207,384,835 bonus warrants were issued by the Company. The bonus warrant’s exercise period will commence on and including the date falling six months from the warrants listing date, 22 July 2024 and expire at 5.00 p.m. on the date falling nine months from the warrants listing date, 22 October 2024. The bonus warrants cannot be exercised prior to the abovementioned six months’ period prior to the warrants listing date.

Assuming that the bonus warrants are fully exercised and converted into new shares, the issued share capital of the Company would increase to 1,244,309,035 shares. The gross proceeds arising from the fully exercise of such bonus warrants will amount to approximately \$31,108,000 will be used towards capital expenditure for yard development, general corporate and working capital purposes.

- (ii) On 3 January 2024, the Company announced that it acquired all the issued shares in Exterran Offshore Pte. Ltd. (“Exterran”) for a cash consideration of US\$8,250,000. This acquisition would provide the Group additional fabrication capacity for the Group’s current and future projects.
- (iii) On 22 February 2024, the Company granted contingent awards of up to 5,459,800 shares to the eligible employees under Dyna-Mac Share Award Scheme 2021 (DMSAS 2021), which will be vested over 2 tranches subject to fulfilment of performance conditions. The estimated fair value of the shares granted was \$1,485,000.

29. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Dyna-Mac Holdings Ltd. on 29 February 2024.

**APPENDIX V – UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS OF
THE GROUP FOR 1H2024**



DYNA-MAC HOLDINGS LTD.

(Incorporated in the Republic of Singapore)

(Company Registration No: 200305693E)

CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2024

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**APPENDIX V – UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS OF
THE GROUP FOR 1H2024**

DYNA-MAC HOLDINGS LTD. AND ITS SUBSIDIARIES

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2024**

	Note	Group		
		6 months ended	6 months ended	Change
		30-Jun-2024	30-Jun-2023	
		\$'000	\$'000	%
Revenue	3	259,728	182,259	42.5%
Cost of sales		(188,030)	(157,649)	19.3%
Gross profit		71,698	24,610	191.3%
Gross profit margin		27.6%	13.5%	
Other income		7,617	3,522	116.3%
Other expenses		-	(29)	NM
Administrative expenses		(29,630)	(17,823)	66.2%
Finance expenses		(476)	(2)	>+200%
Share of results of an associate		146	-	NM
Profit before tax	4	49,355	10,278	>+200%
Income tax expense	5	(10,565)	(78)	>+200%
Net profit for the financial period		38,790	10,200	>+200%
Net profit margin		14.9%	5.6%	
Attributable to:-				
Equity holders of the Company		38,773	10,101	>+200%
Non-controlling interests		17	99	-82.8%
Net profit for the financial period		38,790	10,200	>+200%
Other comprehensive income:-				
Currency translation differences arising from consolidation		(39)	(7)	>+200%
Total comprehensive income for the financial period		38,751	10,193	>+200%
Attributable to:-				
Equity holders of the Company		38,749	10,101	>+200%
Non-controlling interests		2	92	-97.8%
Total comprehensive income for the financial period		38,751	10,193	>+200%
Earnings per share attributable to equity holders of the Company (cents per share)				
- Basic	6	3.72	0.98	
- Diluted		3.35	0.91	

NM - not meaningful

**APPENDIX V – UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS OF
THE GROUP FOR 1H2024**

DYNA-MAC HOLDINGS LTD. AND ITS SUBSIDIARIES

**CONDENSED INTERIM BALANCE SHEETS
AS AT 30 JUNE 2024**

	Note	Group		Company	
		Unaudited	Audited	Unaudited	Audited
		30-Jun-2024	31-Dec-2023	30-Jun-2024	31-Dec-2023
		\$'000	\$'000	\$'000	\$'000
ASSETS					
Current Assets					
Cash and cash equivalents	8	267,810	216,103	1,911	599
Trade and other receivables		38,582	37,875	12,003	11,185
Contract assets		33,309	1,029	-	-
Other current assets	9	41,636	972	39,903	10
		381,337	255,979	53,817	11,794
Non-Current Assets					
Investment in subsidiaries		-	-	122,881	112,003
Investment in an associate		539	393	-	-
Property, plant and equipment	10	39,486	28,064	-	-
Right-of-use assets		49,638	45,722	-	-
Other non-current assets	9	-	7,909	-	7,909
Deferred tax assets	11	298	7,068	-	-
		89,961	89,156	122,881	119,912
Total Assets		471,298	345,135	176,698	131,706
LIABILITIES					
Current Liabilities					
Income tax payable		3,794	-	-	-
Trade and other payables		139,476	80,027	47,485	8,313
Contract liabilities		173,486	147,351	-	-
Lease liabilities		2,361	1,655	-	-
		319,117	229,033	47,485	8,313
Non-Current Liabilities					
Deferred tax liabilities	11	5	12	-	-
Lease liabilities		49,419	45,801	-	-
		49,424	45,813	-	-
Total Liabilities		368,541	274,846	47,485	8,313
Net Assets		102,757	70,289	129,213	123,393
EQUITY					
Capital and Reserves Attributable to Equity Holders of the Company					
Share capital	12	149,281	147,080	149,281	147,080
Other reserves		1,095	924	753	558
Accumulated losses		(48,012)	(78,106)	(20,821)	(24,245)
Share Capital and Reserves		102,364	69,898	129,213	123,393
Non-controlling interests		393	391	-	-
Total Equity		102,757	70,289	129,213	123,393

**APPENDIX V – UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS OF
THE GROUP FOR 1H2024**

DYNA-MAC HOLDINGS LTD. AND ITS SUBSIDIARIES

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2024**

	Note	Group	
		6 months ended 30-Jun-2024	6 months ended 30-Jun-2023
		\$'000	\$'000
OPERATING ACTIVITIES			
Profit before tax		49,355	10,278
Adjustments for:			
- Amortisation of club membership		-	1
- Amortisation of deferred capital grants		-	(74)
- Depreciation of property, plant and equipment		4,126	3,585
- Depreciation of right-of-use assets		1,602	1,312
- Interest expenses		1,358	373
- Interest income		(3,850)	(1,932)
- (Gain)/Loss on disposal of property, plant and equipment		(12)	15
- Share of results of an associate		(146)	-
- Share-based payment		2,396	924
- Trade and other receivables written off		68	-
- Write off of club membership		-	14
- Unrealised exchange gain		(3,186)	(77)
		51,711	14,419
Changes in working capital			
- Contract assets		(32,280)	283
- Contract liabilities		26,135	(9,341)
- Other current assets		(1,313)	(1,144)
- Trade and other receivables		(663)	(48,224)
- Trade and other payables		60,183	(9,684)
Cash flows generated from/(used in) operations		103,773	(53,691)
Income tax paid		-	(184)
Interest received		3,738	2,188
Net cash flows generated from/(used in) operating activities		107,511	(51,687)
INVESTING ACTIVITIES			
- Additions to property, plant and equipment		(8,821)	(672)
- Investment in Singapore Treasury bills		(39,308)	-
- Net cash from acquisition of a subsidiary	13	344	-
- Proceeds from disposal of property, plant and equipment		13	2
Net cash flows used in investing activities		(47,772)	(670)
FINANCING ACTIVITIES			
- Dividends paid to equity holders of the Company		(8,679)	(3,005)
- Interest expense paid		(1,358)	(373)
- Payment of principal portion of lease liabilities		(1,134)	(1,211)
Net cash flows used in financing activities		(11,171)	(4,589)
Net increase/(decrease) in cash and cash equivalents		48,568	(56,946)
Cash and cash equivalents at beginning of period		216,103	185,432
Effects of exchange rate changes on cash and cash equivalents		3,139	72
Cash and cash equivalents at end of period		267,810	128,558

APPENDIX V – UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS OF THE GROUP FOR 1H2024

DYNA-MAC HOLDINGS LTD. AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

1. Corporate information

Dyna-Mac Holdings Ltd. (the “Company”) is listed on the Main Board of the Singapore Exchange Securities Trading Limited (“SGX-ST”) and is incorporated and domiciled in Singapore. The registered office is at 59 Gul Road, Singapore 629354 and the principal place of business is at 45 Gul Road, Singapore 629350.

These condensed interim financial statements as at and for the six months ended 30 June 2024 relate to the Company and its subsidiaries (collectively, the “Group”).

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries are:

- a) Contractors for project management, engineering, fabrication and installation of land and marine works.
- b) Contractors for repair and marine works.
- c) Provides project management services for projects in the People’s Republic of China.
- d) Repair of ships, tankers and other ocean-going vessels, manufacture and repair of marine engine and ship parts, and the provision of manpower resources for shipping-related projects.

2. Basis of Preparation

These condensed interim consolidated financial statements for the six months ended 30 June 2024 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore.

The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last interim financial statements for the period ended 31 December 2023. Accordingly, this report should be read in conjunction with the Group’s Annual Report for the financial year ended 31 December 2023 and any public announcements made during the interim reporting period.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The financial statements are presented in Singapore Dollars (“SGD” or “\$”) and all values are rounded to the nearest thousand (\$’000), except when otherwise indicated.

2.1 New standards, interpretations and amendments adopted by the Group

There are no new standards, interpretations and amendments adopted by the Group for annual periods beginning on or after 1 January 2024, which will result in significant impact on the condensed interim financial statements of the Group.

2.2 Use of estimates and judgements

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as described in the last annual financial statements as at and for the year ended 31 December 2023.

**APPENDIX V – UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS OF
THE GROUP FOR 1H2024**

DYNA-MAC HOLDINGS LTD. AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (CONT'D)

3. Segment and revenue information

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions.

The Board of Directors considers the business from a business segment perspective. Management manages and monitors the business in the two primary business segments: Module business and Ad-hoc projects.

	Group		
	6 months ended 30-Jun		
	Module Business	Ad-Hoc Projects	Total
	\$'000	\$'000	\$'000
2024			
Revenue			
Segment revenue to external parties	250,202	9,526	259,728
Segment gross profit	66,423	5,275	71,698
2023			
Revenue			
Segment revenue to external parties	170,065	12,194	182,259
Segment gross profit	16,890	7,720	24,610

(a) Reconciliation

A reconciliation of segment gross profit to net profit is as follows:

	Group	
	6 months ended 30-Jun-2024	6 months ended 30-Jun-2023
	\$'000	\$'000
Segment gross profit for reportable segments	71,698	24,610
Other income	7,617	3,522
Other expenses	-	(29)
Administrative expenses	(29,630)	(17,823)
Finance expenses	(476)	(2)
Share of results of an associate	146	-
Profit before tax	49,355	10,278
Income tax expense	(10,565)	(78)
Net profit for the financial period	38,790	10,200

**APPENDIX V – UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS OF
THE GROUP FOR 1H2024**

DYNA-MAC HOLDINGS LTD. AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (CONT'D)

3. Segment and revenue information (cont'd)

(b) Geographical information

Group			
6 months ended 30-Jun			
	Module Business	Ad-Hoc Projects	Total
	\$'000	\$'000	\$'000
2024			
Asia Pacific	174,800	7,985	182,785
Europe	75,402	1,326	76,728
Americas	-	215	215
	250,202	9,526	259,728
2023			
Asia Pacific	130,900	11,848	142,748
Europe	39,165	346	39,511
	170,065	12,194	182,259

The Group's non-current assets are located mainly in Singapore as at 30 June 2024 and 2023.

(c) Timing of transfer of goods or services

Group			
6 months ended 30-Jun			
	Module Business	Ad-Hoc Projects	Total
	\$'000	\$'000	\$'000
2024			
Over time	250,202	9,526	259,728
	250,202	9,526	259,728
2023			
Over time	170,065	12,194	182,259
	170,065	12,194	182,259

**APPENDIX V – UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS OF
THE GROUP FOR 1H2024**

DYNA-MAC HOLDINGS LTD. AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (CONT'D)

6. Earnings per share

Weighted average number of

Ordinary shares used in the calculation of basic earnings per share

Adjustment for:

Potential ordinary shares issuable under exercise of warrants

Ordinary shares outstanding used in the calculation of diluted earnings per share

Earnings per share

- Basic (cents)

- Diluted (cents)

Group	
6 months ended 30-Jun-2024	6 months ended 30-Jun-2023
'000	'000
1,042,737	1,034,310
115,892	77,769
1,158,629	1,112,079
3.72	0.98
3.35	0.91

7. Dividend

Ordinary dividend paid:

Final tax exempt one-tier 2023 cash dividend of
0.83 cents per share (2022: 0.29 cents per share)

Group	
6 months ended 30-Jun-2024	6 months ended 30-Jun-2023
\$'000	\$'000
8,679	3,005

8. Cash and cash equivalents

Cash and cash equivalents

Cash at bank

Short-term bank deposits

Total cash and cash equivalents

Group	
30-Jun-2024	31-Dec-2023
\$'000	\$'000
40,360	47,421
227,450	168,682
267,810	216,103

Short-term deposits are made for varying periods, depending on the immediate cash requirements of the Group, and earn interest at the short-term bank deposit rates. The weighted average effective interest rates as at 30 June 2024 was 3.91% (31 December 2023: 3.82%) per annum.

As at 30 June 2024, the Group issued bank guarantees amounting to \$53,641,000 (31 December 2023: \$34,348,000) in connection with its contracts with customers. No liability is expected to arise.

**APPENDIX V – UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS OF
THE GROUP FOR 1H2024**

DYNA-MAC HOLDINGS LTD. AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (CONT'D)

9. Other current/non-current assets

	Group	
	30-Jun-2024	31-Dec-2023
	\$'000	\$'000
Other current assets		
Deposits	744	732
Prepayments	1,006	240
Singapore Treasury bills	39,886	-
Total other current assets	41,636	972
Other non-current assets		
Advance payment	-	7,909
Total other non-current assets	-	7,909

Advance payment relates to payment made for acquisition of shares in Exterran Offshore Pte. Ltd. ("Exterran"). Details are included in Note 13.

10. Property, plant and equipment

During the financial period ended 30 June 2024, the Group acquired assets amounting to \$7,879,000 (30 June 2023: \$658,000), disposed off assets with carrying amount of \$1,000 (30 June 2023: \$385,000).

11. Deferred tax assets/(liabilities)

The movement in deferred tax assets and deferred tax liabilities (prior to offsetting of balances within the same tax jurisdiction) is as follows:

	Group	
	30-Jun-2024	31-Dec-2023
	\$'000	\$'000
Deferred tax assets		
Beginning of financial period	7,068	3,300
Tax (charged)/credited to profit or loss	(6,770)	3,768
End of financial period	298	7,068
Deferred tax liabilities		
Beginning of financial period	(12)	(14)
Currency translation differences	7	2
End of financial period	(5)	(12)

**APPENDIX V – UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS OF
THE GROUP FOR 1H2024**

DYNA-MAC HOLDINGS LTD. AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (CONT'D)

12. Share capital

30-Jun-2024		31-Dec-2023	
Number of Ordinary Shares	Resultant issued share capital	Number of Ordinary Shares	Resultant issued share capital
'000	\$'000	'000	\$'000
1,036,924	147,080	1,030,509	146,096
8,720	2,201	6,415	984
1,045,644	149,281	1,036,924	147,080

Share Capital

Beginning of financial period

Issuance of new shares under share-based payment

End of financial period

Dyna-Mac Share Award Scheme 2021 (DMSAS 2021)

As at 30 June 2024, the number of contingent shares granted but not released were 8,032,100 (30 June 2023: 7,295,600) for DMSAS 2021. Based on the achievement factors, the actual release of the awards in ordinary shares of the company could range from zero to a maximum of 8,032,100 under DMSAS 2021.

The Company does not hold any treasury shares as at 30 June 2024 and 30 June 2023.

13. Acquisition of a subsidiary

On 3 January 2024, the Group has completed the acquisition of Exterran Offshore Pte. Ltd. ("Exterran"), a non-listed company based in Singapore. The Group acquired 100% of the issued share capital of Exterran for consideration of \$10,877,625. Exterran was renamed as Dyna-Mac Solutions Pte. Ltd. to reflect the Dyna-Mac branding and has provided the Group with additional fabrication capacity for current and future projects.

The Group incurred external legal fee amounted to \$55,000 relating to this acquisition, which was classified as 'administrative expenses' in the FY2023 statement of comprehensive income.

Assets and liabilities recognised as a result of the acquisition:

	Fair value \$'000
Assets	
Cash and cash equivalents	3,313
Trade and other receivables	** -
Other current assets	43
Property, plant and equipment	7,670
Right-of-use assets	5,512
	16,538
Liabilities	
Trade and other payables	(208)
Lease liabilities	(5,452)
	(5,660)
Total identifiable net assets at fair value	10,878

** - Amount less than \$1,000

	30-Jun-2024 \$'000
Effects on cash flow of the Group:	
Purchase consideration transferred	10,878
Less: Cash and cash equivalents acquired	(3,313)
Less: Advance payment (paid in FY2023)	(7,909)
Net cash from acquisition of a subsidiary	(344)

**APPENDIX V – UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS OF
THE GROUP FOR 1H2024**

DYNA-MAC HOLDINGS LTD. AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (CONT'D)

14. Net asset value

	Group		Company	
	30-Jun-2024	31-Dec-2023	30-Jun-2024	31-Dec-2023
Net asset value per ordinary share based on existing share capital (cents)	9.79	6.74	12.36	11.90
Number of shares ('000)	1,045,644	1,036,924	1,045,644	1,036,924

15. Financial assets and financial liabilities at amortised cost

The financial assets and financial liabilities at amortised cost of the Group as at 30 June 2024 and 31 December 2023:

	Group		Company	
	30-Jun-2024	31-Dec-2023	30-Jun-2024	31-Dec-2023
	\$'000	\$'000	\$'000	\$'000
Financial Assets				
Cash and cash equivalents	267,810	216,103	1,911	599
Trade and other receivables	20,900	32,293	12,003	11,185
Other current assets	40,630	732	39,886	-
Total financial assets at amortised cost	329,340	249,128	53,800	11,784
Financial Liabilities				
Trade and other payables	139,476	80,027	47,485	8,313
Lease liabilities	51,780	47,456	-	-
Total financial liabilities at amortised cost	191,256	127,483	47,485	8,313

**APPENDIX V – UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS OF
THE GROUP FOR 1H2024**

DYNA-MAC HOLDINGS LTD. AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (CONT'D)

16. Related party transactions

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties:

(a) Sales and purchases of goods and services

Other than those disclosed elsewhere in the financial statements, the Group had the following significant related party transactions on terms agreed during the financial period:

Transactions with a corporate shareholder and its related companies

Fabrication of topside modules and other ad-hoc services rendered
Sub-contracting and other ad-hoc services procured

Transactions with related company of a director

Corporate secretarial services procured

Group	
6 months ended 30-Jun-2024	6 months ended 30-Jun-2023
\$'000	\$'000
(493)	9,038
(480)	(2,264)
(32)	(21)

(b) Key management personnel compensation

Key management personnel compensation is analysed as follows:

Directors

Short-term employee benefits ^(Note 2)
Post-employment benefits
Share-based payment

Senior Management

Short-term employee benefits
Post-employment benefits
Share-based payment

Group	
6 months ended 30-Jun-2024	6 months ended 30-Jun-2023
\$'000	\$'000
758	609
22	41
1,061	402
1,841	1,052
1,187	1,074
66	96
444	200
1,697	1,370
3,538	2,422

Note 2 - Comparative information has been restated to include independent director fee for comparison purpose.

17. Subsequent events

There are no known subsequent events which led to adjustments to this set of interim financial statements.

APPENDIX V – UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS OF THE GROUP FOR 1H2024

DYNA-MAC HOLDINGS LTD. AND ITS SUBSIDIARIES

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

1. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The condensed interim financial statements, comprising the condensed interim balance sheets of Dyna-Mac Holdings Ltd. (“the Company”) and its Subsidiaries (“the Group”) as at 30 June 2024, the condensed interim consolidated statement of comprehensive income, condensed interim statements of changes in equity and condensed interim consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

2. 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.**

Condensed Interim Consolidated Statement of Comprehensive Income

The Group’s revenue increased by \$77.4m or 42.5% from \$182.3m in the six months ended 30 June 2023 (“1H2023”) to \$259.7m in the six months ended 30 June 2024 (“1H2024”). This was mainly due to completion of major projects during 1H2024 when compared to 1H2023.

The Group’s gross profit also increased by 191.3% to \$71.7m in 1H2024, compared to \$24.6m in 1H2023. The increase in gross profit is mainly driven by higher revenue and improvement in productivity in 1H2024.

Other income increased by \$4.1m or 116.3% from \$3.5m in 1H2023 to \$7.6m in 1H2024. The increase in 1H2024 was mainly due to higher interest income, forex gain and increase in scrap income.

Administrative expenses increased by \$11.8m or 66.2% from \$17.8m in 1H2023 to \$29.6m in 1H2024. This was mainly due to higher staff costs and share-based payment expense in 1H2024.

The income tax expense of \$10.6m in 1H2024 was attributable to income tax provision by its subsidiary.

The Group’s net profit increased by \$28.6m or 280.3% from \$10.2m in 1H2023 to \$38.8m in 1H2024. The higher net profit was achieved through completion of major projects, improved productivity and increase in volume of projects undertaken.

Condensed Interim Balance Sheets

Current assets

Total current assets increased by \$125.3m from \$256.0m as at 31 December 2023 to \$381.3m as at 30 June 2024.

Cash and cash equivalents increased by \$51.7m from \$216.1m as at 31 December 2023 to \$267.8m as at 30 June 2024 mainly due to higher advance collections from the projects.

Trade and other receivables increased by \$0.7m from \$37.9m as at 31 December 2023 to \$38.6m as at 30 June 2024 mainly due to higher project progress achieved during the period.

Contract assets increased by \$32.3m from \$1.0m as at 31 December 2023 to \$33.3m as at 30 June 2024 mainly due to higher project progress achieved during the period.

Other current assets increased by \$40.6m from \$1.0m as at 31 December 2023 to \$41.6m as at 30 June 2024 mainly due to investment in Singapore Treasury bills.

**APPENDIX V – UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS OF
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DYNA-MAC HOLDINGS LTD. AND ITS SUBSIDIARIES

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2 (CONT'D)

2. 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. (cont'd)

Condensed Interim Balance Sheets (cont'd)

Non-current assets

Non-current assets increased by \$0.8m from \$89.2m as at 31 December 2023 to \$90.0m as at 30 June 2024 mainly due to right-of-use assets and property, plant and equipment acquired through the acquisition of a subsidiary.

Current liabilities

Total current liabilities increased by \$90.1m from \$229.0m as at 31 December 2023 to \$319.1m as at 30 June 2024.

Trade and other payables increased by \$59.5m from \$80.0m as at 31 December 2023 to \$139.5m as at 30 June 2024 mainly due to higher payables recorded in line with higher progress achieved from the projects carried out.

Contract liabilities increased by \$26.1m from \$147.4m as at 31 December 2023 to \$173.5m as at 30 June 2024 mainly due to increase in advanced billings to customers.

Non-current liabilities

Total non-current liabilities increased by \$3.6m from \$45.8m as at 31 December 2023 to \$49.4m as at 30 June 2024 mainly due to lease obligation arising from the newly acquired subsidiary.

Condensed Interim Consolidated Statement of Cash Flows

The Group registered an increase in cash and cash equivalent of \$51.7m from \$216.1m as at 31 December 2023 to \$267.8m as at 30 June 2024.

Net cash flows generated from operating activities in 1H2024 was \$107.5m mainly due to lower cash outflow from working capital.

Net cash flows used in investing activities in 1H2024 was \$47.8m mainly due to additions to property, plant and equipment and investment in Singapore Treasury bills.

Net cash flows used in financing activities in 1H2024 was \$11.2m mainly due to dividend payment, repayment of lease liabilities and interest expense.

APPENDIX V – UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS OF THE GROUP FOR 1H2024

DYNA-MAC HOLDINGS LTD. AND ITS SUBSIDIARIES

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2 (CONT'D)

3. 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.

4. 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 outlook for our key operations of fabricating topside modules for Floating Production Storage and Offloading (FPSO) vessels remains buoyant. The global FPSO market is projected to grow from US\$6.8 billion in 2020 to US\$34.7 billion in 2032, exhibiting a compound annual growth rate (CAGR) of 14.6% during the forecast period^[1]. More than 63 planned and announced FPSO units are expected to start operations globally between 2024 and 2029, indicating a strong pipeline of projects and consistent expansion in the market^[2]. Dyna-Mac remains optimistic about its future growth opportunities.

Our outlook is supported by our current orderbook, which stands at \$681.3m as of June 2024, with deliveries scheduled through FY2026. This orderbook reflects sustained market demand for our FPSO topside modules. To further strengthen our market position, we are exploring opportunities in adjacent sectors – including carbon capture and storage technologies, and hydrogen solutions. Through these initiatives, Dyna-Mac aims to adapt to evolving energy market demands, future proof and secure long-term growth.

The Group's recent acquisition of Exterran Offshore Pte Ltd which has been rebranded as Dyna-Mac Solutions Pte Ltd, and securing JTC lease adjacent to the current facility resulted in the expansion of capacity and upgrading of yard facilities, has paved the way for further optimisation of our construction methodology and production workflows. These steps have provided us with the flexibility and capability to pursue larger contract-sized projects to further build on our orderbook, boost productivity levels and strengthen our operational capabilities. The additional capacity also helps accelerate our venture into hydrogen and ammonia production modules fabrication. The building of the pipe shops in these new facilities will benefit the Group's effort in scaling up its exotic piping fabrication which will fulfill the Group's own needs as well as mass production of exotic pipe spools as a new recurring income stream.

Dyna-Mac plans to pursue growth through multiple channels, including inorganic growth and strategic alliances with industry leaders. Despite the competitive environment, we are encouraged by a consistent stream of inquiries from both new and repeat customers, indicating sustained demand for our offerings in the foreseeable future.

^[1] <https://www.fortunebusinessinsights.com/industry-reports/fps0-market-100429>

^[2] <https://www.globaldata.com/store/report/fps0-market-analysis/>

**APPENDIX V – UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS OF
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DYNA-MAC HOLDINGS LTD. AND ITS SUBSIDIARIES

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2 (CONT'D)

5. Dividends

- (a) Current financial period reported on**
Any dividend declared for the current financial period reported on?

The directors have considered the possibility of declaring an interim dividend. The Company will update shareholders if any firm decision is made.

- (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**

Please refer to 5(a).

- (d) Books closure date**

Please refer to 5(a).

6. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

Please refer to 5(a).

7. Interested person transactions disclosure

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)	
		6 months ended 30-Jun-2024 S'000	6 months ended 30-Jun-2023 S'000	6 months ended 30-Jun-2024 S'000	6 months ended 30-Jun-2023 S'000
PURCHASES AND OTHER EXPENSES					
Alpine Engineering Services Pte Ltd	Note 1, 2				
Purchase of materials		-	-	-	120
Rental of air compressors				21	-
Asian Lift Pte Ltd	Note 1				
Rental of floating crane/barge		-	-	459	1,515
ST Engineering Marine Ltd	Note 1				
Subcontracting services		-	-	-	629
REVENUE					
Seatrium O&G (Americas) Limited	Note 1				
Subcontracting services		-	-	(493)	9,038

Note 1 - The interested person is a member of Temasek Group, which the scope of works are approved by shareholders under IPT Mandate in the Annual General Meeting. Temasek Group ceased to be an interested person with effect from 13 May 2024 following the divestment by KepInvest Holdings Pte Ltd.

Note 2 - Seatrium Sea Scan Pte Ltd has been amalgamated with Alpine Engineering Services Pte. Ltd. ("AES") with effect from 12 April 2024, with AES being the surviving entity. AES is a member of Temasek Group.

**APPENDIX V – UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS OF
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DYNA-MAC HOLDINGS LTD. AND ITS SUBSIDIARIES

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2 (CONT'D)

8. 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 (in the format set out in Appendix 7.7) under Rule 720(1) of the listing manual.

9. Confirmation pursuant to 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 financial results for the period ended 30 June 2024 to be false or misleading in any material respect.

BY ORDER OF THE BOARD

Lim Ah Cheng
Executive Chairman and Chief Executive Officer
6 August 2024

APPENDIX VI – RELEVANT EXTRACTS FROM THE COMPANY’S CONSTITUTION

The rights of Shareholders in respect of capital, dividends and voting as extracted and reproduced from the Constitution are set out below.

All capitalised terms used in the following extracts shall have the same meanings ascribed to them in the Constitution, a copy of which is available for inspection at 59 Gul Road, Singapore 629354, during normal business hours from the date of this Circular and for the period during which the Offer remains open for acceptance.

1. Rights in respect of capital

3. (A) Subject to the Statutes and this Constitution, no shares may be issued by the Directors without the prior approval of the Company in general meeting but subject thereto and the terms of such approval, and subject to Regulation 8, the Directors may allot and issue shares or grant options over or otherwise dispose of the same to such persons on such terms and conditions and for such consideration (if any) and at such time and whether or not subject to the payment of any part of the amount (if any) thereof in cash as the Directors may think fit. Preference shares may be issued which are or at the option of the Company are liable to be redeemed, the terms and manner of redemption being determined by the Directors in accordance with the Act, Provided Always that all unissued shares shall be at the disposal of the Directors and they may allot (with or without conferring a right of renunciation), grant options over or otherwise dispose of them to such persons, at such times and on such terms as they think proper. Issue of Shares
- (B) The Company may issue shares for which no consideration is payable to the Company.
- (C) Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings or the provision of any plant which cannot be made profitable for a long period, the Company may pay interest on so much of that share capital as is for the time being paid up for the period and charge the same to capital as part of the cost of the construction of the works or buildings or the provision of the plant, subject to the conditions and restrictions mentioned in the Act.
4. (A) Preference shares may be issued subject to such limitation thereof as may be prescribed by the Stock Exchange upon which shares in the Company may be listed, Provided Always that the total number of issued preference shares shall not exceed the total number of issued ordinary shares at any time. Preference shareholders shall have the same rights as ordinary shareholders as regards to receiving of notices, reports and financial statements and attending general meetings of the Company, and preference shareholders shall also have the right to vote at any meeting convened for the purpose of reducing the capital or winding-up or sanctioning a sale of the undertaking of the Company or where the proposal to be submitted to the meeting directly affects their rights and privileges or when the Dividend on the preference shares is more than six (6) months in arrears.
- (B) The Company shall also have the power to issue further preference shares ranking equally with or in priority to any preference shares already issued. Issue of further preference capital

**APPENDIX VI – RELEVANT EXTRACTS FROM
THE COMPANY’S CONSTITUTION**

TREASURY SHARES

5. The Company shall not exercise any right in respect of treasury shares other than as provided by the Act. Subject thereto, the Company may hold or deal with its treasury shares in the manner authorized by, or prescribed pursuant to, the Act. Treasury Shares

VARIATION OF RIGHTS

6. (A) Whenever the share capital of the Company is divided into different classes of shares, the special rights attached to any class may, subject to the provisions of the Statutes, be varied or abrogated either with the consent in writing of the holders of three-quarters of the issued shares of the class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class (but not otherwise) and may be so varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding-up. To every such separate general meeting all the provisions of these Regulations relating to general meetings of the Company and to proceedings thereat shall mutatis mutandis apply, except that the necessary quorum shall be two (2) persons at least holding or representing by proxy at least one-third of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll and that every such holder shall on a poll have one vote for every share of the class held by him. Provided Always that where the necessary majority for such special resolution is not obtained at such general meeting, consent in writing if obtained from the holders of three quarters of the issued shares of the class concerned within two months of such general meeting shall be as valid and effectual as a special resolution carried at such general meeting. The foregoing provisions of this Regulation shall apply to the variation or abrogation of the special rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class the special rights whereof are to be varied.
- (B) The repayment of preference capital (other than redeemable preference capital), or any alteration of preference shareholders’ rights, may only be made pursuant to a special resolution of the preference shareholders concerned, Provided Always that where the necessary majority for such special resolution is not obtained at the general meeting, consent in writing if obtained from the holders of three-fourths of the preference shares concerned within two months of the meeting, shall be as valid and effectual as a special resolution carried at the meeting.
7. The special rights attached to any class of shares having preferential rights shall not unless otherwise expressly provided by the terms of issue thereof be deemed to be varied by the issue of further shares ranking as regards participation in the profits or assets of the Company in some or all respects pari passu therewith but in no respect in priority thereto.

ALTERATION OF SHARE CAPITAL

8. (A) Subject to any direction to the contrary that may be given by the Company in general meeting or except as permitted under the Listing Offer of new shares

**APPENDIX VI – RELEVANT EXTRACTS FROM
THE COMPANY’S CONSTITUTION**

Rules, all new shares shall, before issue, be offered to such persons who as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as far as the circumstances admit, to the number of the existing shares to which they are entitled. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may dispose of those shares in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the Directors, be conveniently offered under this Regulation 8(A).

(B) Notwithstanding Regulation 8(A), the Company may by ordinary resolution in general meeting give to the Directors a general authority, either unconditionally or subject to such conditions as may be specified in the ordinary resolution, to:

General
authority

- (a) (i) issue shares in the capital of the Company whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, “Instruments”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares; and
- (b) (notwithstanding the authority conferred by the ordinary resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while the ordinary resolution was in force,

provided that

- (1) the aggregate number of shares to be issued pursuant to the ordinary resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to the ordinary resolution) shall be subject to such limits and manner of calculation as may be prescribed by the Stock Exchange;
- (2) in exercising the authority conferred by the ordinary resolution, the Company shall comply with the provisions of the listing rules of the Stock Exchange for the time being in force (unless such compliance is waived by the Stock Exchange) and these Regulations; and
- (3) (unless revoked or varied by the Company in general meeting) the authority conferred by the ordinary resolution shall not continue in force beyond the conclusion of the annual general meeting of the Company next following the passing of the ordinary resolution, or the date by which such annual general meeting of the Company is required by law to be held, or the expiration of such other period as may be prescribed by the Statutes (whichever is the earliest).

**APPENDIX VI – RELEVANT EXTRACTS FROM
THE COMPANY’S CONSTITUTION**

- | | | |
|-----|---|--|
| (C) | Except so far as otherwise provided by the conditions of issue or by these Regulations, all new shares shall be subject to the provisions of the Statutes and of these Regulations with reference to allotment, payment of calls, lien, transfer, transmission, forfeiture and otherwise. The rights attaching to shares of a class other than ordinary shares shall be expressed in this Constitution. | New shares subject to Statutes and these Regulations |
| 9. | <p>(A) The Company may by ordinary resolution:</p> <p>(a) consolidate and divide all or any of its share capital;</p> <p>(b) cancel any shares which, at the date of the passing of the resolution, have not been taken, or agreed to be taken, by any person or which have been forfeited, and diminish the amount of its share capital by the amount of the shares so cancelled;</p> <p>(c) sub-divide its shares, or any of them (subject, nevertheless, to the provisions of the Statutes, the Listing Rules and this Constitution), Provided Always that in such subdivision the proportion between the amount paid and the amount (if any) unpaid on each reduced share shall be same as it was in the case of the share from which the reduced share is derived; and/or</p> <p>(d) subject to the provisions of the Statutes and this Constitution, convert its share capital or any class of shares from one currency to another currency.</p> <p>(B) The Company may by special resolution, subject to and in accordance with the Act and the Listing Rules, convert one (1) class of shares into another class of shares.</p> | Power to consolidate sub-divide and convert shares |
| 10. | <p>(A) The Company may reduce its share capital or any undistributable reserve in any manner and with and subject to any incident authorised and consent required by law.</p> <p>(B) The Company may, subject to and in accordance with the Statutes and any applicable rules of the Stock Exchange, purchase or otherwise acquire its issued shares on such terms and in such manner as the Company may from time to time think fit, and subject to such conditions as the Company may in general meeting prescribe in accordance with the Statutes and any applicable rules of the Stock Exchange. To the extent required by Statutes, any share which is so purchased or acquired by the Company shall, unless held in treasury in accordance with the Act, be deemed to be cancelled immediately on purchase or acquisition by the Company. On the cancellation of any share as aforesaid, to the extent required by Statutes, the rights and privileges attached to that share shall expire and the number of issued shares of the Company shall be diminished by the number of shares so cancelled. In any other instance where the shares purchased by the Company are not cancelled, the Company may hold or deal with any such share which is so purchased or acquired by it in such manner as may be permitted by, and in accordance with, the Statutes and any applicable rules of the Stock Exchange.</p> | <p>Power to reduce capital</p> <p>Share purchase</p> |

**APPENDIX VI – RELEVANT EXTRACTS FROM
THE COMPANY’S CONSTITUTION**

SHARES

- | | | |
|-----|--|---------------------------------------|
| 11. | Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or compelled in any way to recognise any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these Regulations or by law otherwise provided) any other right in respect of any share, except an absolute right to the entirety thereof in the person (other than the Depository or its nominee (as the case may be)) entered in the Register of Members as the registered holder thereof or (as the case may be) the person whose name is entered in the Depository Register in respect of that share. | Absolute owner of shares |
| 12. | Without prejudice to any special rights previously conferred on the holders of any shares or class of shares for the time being issued, any share in the Company may be issued with such preferred, deferred or other special rights, or subject to such restrictions, whether as regards dividend, return of capital, voting or otherwise, as the Company may from time to time by ordinary resolution determine (or, in the absence of any such determination, as the Directors may determine) and subject to the provisions of the Statutes, the Company may issue preference shares which are, or at the option of the Company are liable, to be redeemed. | Rights and privileges of new shares |
| 13. | The Company may pay commissions or brokerage on any issue of shares at such rate or amount and in such manner as the Directors may deem fit. Such commissions or brokerage may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. | Power to pay commission and brokerage |
| 14. | Any expenses (including brokerage or commission) incurred directly by the Company in the issue of new shares may be paid out of the proceeds of the issue or the Company’s share capital. Such payment shall not be taken as reducing the amount of share capital of the Company. | Payment of share issue expenses |
| 15. | Subject to the terms and conditions of any application for shares, the Directors shall allot shares applied for within ten (10) market days of the closing date (or such other period as may be approved by the Stock Exchange) of any application. The Directors may, at any time after the allotment of any share but before any person has been entered in the Register of Members as the holder or (as the case may be) before that share is entered against the name of a Depositor in the Depository Register, recognise a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Directors may think fit to impose. | Allotment of shares |

SHARE CERTIFICATES

- | | | |
|-----|--|--------------------|
| 16. | (A) Subject to the Statutes, every share certificate shall be issued under the Seal (or by the signatures of authorised persons in the manner set out under the Act as an alternative to sealing) and shall specify the number and class of shares to which it relates, whether the shares are fully or partly paid up, and the amount (if any) unpaid thereon and shall | Share certificates |
|-----|--|--------------------|

**APPENDIX VI – RELEVANT EXTRACTS FROM
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bear the autographic or facsimile signatures of one (1) Director and the Secretary or a second Director or some other person appointed by the Directors. The facsimile signatures may be reproduced by mechanical, electronic or other method approved by the Directors. No certificate shall be issued representing shares of more than one (1) class.

- (B) The provisions in this Regulation and in Regulations 17 to 20 (so far as they are applicable) shall not apply to transfer of book-entry securities.
17. (A) The Company shall not be bound to register more than three (3) persons as the registered holders of a share except in the case of executors or administrators (or trustees) of the estate of a deceased shareholder. Joint Holders
- (B) In the case of a share registered jointly in the names of several persons, the Company shall not be bound to issue more than one certificate therefor. Only the person whose name stands first in the Register of Members as one of the joint holders of any share shall be entitled to delivery of the certificate relating to such share, and delivery of the certificate to such joint holder shall be sufficient delivery to all. Issue of certificate to joint holders
18. Subject to the payment of all or any part of the stamp duty payable (if any) on each share certificate prior to the delivery thereof which the Directors in their absolute discretion may require, every person whose name is entered as a Member in the Register of Members shall be entitled to receive within ten (10) market days (or such period as the Directors may determine having regard to any limitation thereof as may be prescribed by the Stock Exchange from time to time) of the closing date of any application for shares or, as the case may be, the date of lodgment of a registrable transfer or on a transmission of shares, to receive one (1) certificate for all his shares of any one class or several certificates in such denominations as the Company shall, in its absolute discretion but subject to Statutes, consider reasonable for his shares of that class, and where a charge is made for the certificate, such charge shall not exceed S\$2.00 per certificate (or such other fee as the Directors may determine having regard to any limitation thereof as may be prescribed by the Stock Exchange from time to time). Entitlement to certificate
- 19 (A) Any two (2) or more certificates representing shares of any one (1) class held by any person whose name is entered in the Register of Members may at his request be cancelled and a single new certificate for such shares issued in lieu without charge. Consolidation of share certificates
- (B) Where a Member transfers part only of the shares comprised in a certificate or where a Member requires the Company to cancel any certificate or certificates and issue new certificates for the purpose of subdividing his holding in a different manner, the old certificate or certificates shall be cancelled and a new certificate or certificates for the balance of such shares (in the case of transfer) and the whole of such shares (in the case of sub-division) shall be issued in lieu thereof and the Member shall pay all or any part of the stamp duty payable (if any) on each share certificate prior to the delivery thereof which the Directors in their absolute discretion may require and a maximum fee of S\$2.00 (or such other fee as the Directors may from time to time determine having regard to any limitation thereof as may be prescribed by the Stock Exchange from time to time) for each new certificate. Sub-division of share certificates

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| (C) | In the case of shares registered jointly in the names of several persons any such request may be made by any one (1) of the registered joint holders. | Requests by joint holders |
| 20. | Subject to the provisions of the Statutes, if any share certificate shall be defaced, worn out, destroyed, lost or stolen, it may be renewed on such evidence being produced and a letter of indemnity (if required) being given by the shareholder, transferee, person entitled, purchaser, member firm or member company of the Stock Exchange or on behalf of its or their client or clients as the Directors of the Company shall require, and (in case of defacement or wearing out) on delivery up of the old certificate and in any case on payment of such sum not exceeding S\$2.00 (or such other fee as the Directors may from time to time determine having regard to any limitation thereof as may be prescribed by the Stock Exchange from time to time) together with the amount of the proper duty with which such share certificate is chargeable under any law for the time being in force relating to stamps. In the case of destruction, loss or theft, a shareholder or person entitled to whom such renewed certificate is given shall also bear the loss and pay to the Company all expenses incidental to the investigations by the Company of the evidence of such destruction or loss. | Replacement share certificate |

CALLS ON SHARES

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| 21. | The Directors may from time to time make calls upon the Members in respect of any monies unpaid on their shares but subject always to the terms of issue of such shares. A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed and may be made payable by instalments. | Calls on shares |
| 22. | Each Member shall (subject to receiving at least fourteen (14) days’ notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof. A call may be revoked or postponed as the Directors may determine. | Notice of calls |
| 23. | If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate as the Directors may determine but the Directors shall be at liberty in any case or cases to waive payment of such interest wholly or in part. | Interest on unpaid calls |
| 24. | Any sum which by the terms of issue of a share becomes payable upon allotment or at any fixed date shall for all the purposes of these Regulations be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable. In case of non-payment all the relevant provisions of these Regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified. | When calls made and payable |
| 25. | The Directors may on the issue of shares differentiate between the holders as to the amount of calls to be paid and the times of payment. | Power of directors to differentiate |
| 26. | The Directors may if they think fit receive from any Member willing to advance the same, all or any part of the monies uncalled and unpaid upon the shares held by him and such payment in advance of calls shall extinguish, so far as the same shall extend, the liability upon the shares in respect of which it is made and upon the money so received (until and to the extent that the same would | Payment of calls in advance |

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but for such advance become payable) the Company may pay interest at such rate as the Member paying such sum and the Directors may agree. Capital paid on shares in advance of calls shall not, while carrying interest, confer a right to participate in profits and until appropriated towards satisfaction of any call shall be treated as a loan to the Company and not as part of its capital and shall be repayable at any time if the Directors so decide.

FORFEITURE AND LIEN

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| 27. | If a Member fails to pay in full any call or instalment of a call on the due date for payment thereof, the Directors may at any time thereafter serve a notice on him requiring payment of so much of the call or instalment as is unpaid together with any interest which may have accrued thereon and any expenses incurred by the Company by reason of such non-payment. | Notice requiring payment of calls |
| 28. | The notice shall name a further day (not being less than fourteen (14) days from the date of service of the notice) on or before which and the place where the payment required by the notice is to be made, and shall state that in the event of non-payment in accordance therewith the shares on which the call has been made will be liable to be forfeited. | Notice to state place and time of payment |
| 29. | If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls and interest and expenses due in respect thereof has been made, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all Dividends declared in respect of the forfeited share and not actually paid before forfeiture. The Directors may accept a surrender of any share liable to be forfeited hereunder. | Forfeiture on non-compliance with notice |
| 30. | A share so forfeited or surrendered shall become the property of the Company and may be sold, re-allotted or otherwise disposed of either to the person who was before such forfeiture or surrender the holder thereof or entitled thereto or to any other person upon such terms and in such manner as the Directors shall think fit, and at any time before a sale, re-allotment or disposition the forfeiture or surrender may be cancelled on such terms as the Directors think fit. The Directors may, if necessary, authorise some person to transfer or effect the transfer of a forfeited or surrendered share to any such other person as aforesaid. | Sale of forfeited shares |
| 31. | A Member whose shares have been forfeited or surrendered shall cease to be a Member in respect of the shares but shall notwithstanding the forfeiture or surrender remain liable to pay to the Company all moneys which at the date of forfeiture or surrender were presently payable by him to the Company in respect of the shares with interest thereon at eight (8) per cent. per annum (or such lower rate as the Directors may determine) from the date of forfeiture or surrender until payment and the Directors may at their absolute discretion enforce payment without any allowance for the value of the shares at that time of forfeiture or surrender or waive payment in whole or in part. | Rights and liabilities of Members whose shares have been forfeited |
| 32. | The Company shall have a first and paramount lien on every share (not being a fully paid share) and Dividends from time to time declared in respect of such shares. Such lien shall be restricted to unpaid calls and instalments upon the specific shares in respect of which such moneys are due and unpaid, and to such amounts as the Company may be called upon by law to pay in respect of the shares of the Member or deceased Member. The Directors may waive any lien which has arisen and may resolve that any share shall for some limited period be exempt wholly or partially from the provisions of this Regulation. | Company to have paramount lien |

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33. The Company may sell in such manner as the Directors think fit any share on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable nor until the expiration of fourteen (14) days after a notice in writing stating and demanding payment of the sum presently payable and giving notice of intention to sell in default shall have been given to the holder for the time being of the share or the person entitled thereto by reason of his death or bankruptcy, Provided Always that if a Member shall have died or become mentally disordered and incapable of managing himself or his affairs or bankrupt and no person shall have given to the Company satisfactory proof of his right to effect a transmission of the shares held by such Member the Directors may exercise such power of sale without serving any such notice. Sale of shares subject to lien
34. The net proceeds of such sale after payment of the costs of such sale shall be applied in or towards payment or satisfaction of the debts or liabilities and any residue shall be paid to the person entitled to the shares at the time of the sale or to his executors, administrators or assigns, as he may direct. For the purpose of giving effect to any such sale the Directors may authorise some person to transfer or effect the transfer of the shares sold to the purchaser. Application of sale proceeds
35. A statutory declaration in writing that the declarant is a Director or the Secretary of the Company and that a share has been duly forfeited or surrendered or sold to satisfy a lien of the Company on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. Such declaration and the receipt of the Company for the consideration (if any) given for the share on the sale, re-allotment or disposal thereof together (where the same be required) with the share certificate delivered to a purchaser (or where the purchaser is a Depositor, to the Depository or its nominee (as the case may be) or allottee thereof shall (subject to the execution of a transfer if the same be required) constitute good title to the share and the share shall be registered in the name of the person to whom the share is sold, re-allotted or disposed of or, where such person is a Depositor, the Company shall procure that his name be entered in the Depository Register in respect of the share so sold, re-allotted or disposed of. Such person shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings relating to the forfeiture, surrender, sale, re-allotment or disposal of the share. Title to forfeited or surrendered shares

TRANSFER OF SHARES

36. (A) Subject to these Regulations, all transfers of the legal title in shares shall be effected by the registered holders thereof by transfer in writing in the form for the time being approved by the Directors and the Stock Exchange or book entry in the Depository Register in accordance with the Statutes. Form and execution of transfer
- (B) The instrument of transfer of any share shall be signed by or on behalf of both the transferor and the transferee and be witnessed, provided that an instrument of transfer in respect of which the transferee is the Depository or its nominee (as the case may be) shall be effective although not signed or witnessed by or on behalf of the Depository or its nominee (as the case may be). The transferor shall remain the holder of the shares concerned until the name of the transferee is entered in the Register of Members in respect thereof.

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- (C) No share shall in any circumstances be transferred to any infant, bankrupt or person who is mentally disordered and incapable of managing himself or his affairs but nothing herein contained shall be construed as imposing on the Company any liability in respect of the registration of such transfer if the Company has no actual knowledge of the same.
37. The Register of Members may be closed at such times and for such periods as the Directors may from time to time determine, Provided Always that such Register shall not be closed for more than thirty (30) days in any year, and that the Company shall give prior notice of such closure as may be required, to the Stock Exchange, stating the period and purpose or purposes for which the closure is made. Closure of transfer books and Register of Members
38. (A) There shall be no restriction on the transfer of fully paid up shares (except where required by law, Listing Rules or bye-laws and rules governing the Stock Exchange) but the Directors may, in their sole discretion, decline to register any transfer of shares upon which the Company has a lien, and in the case of shares not fully paid up may refuse to register a transfer to a transferee of whom they do not approve (to the extent permitted by the listing rules of the Stock Exchange), Provided Always that in the event of the Directors refusing to register a transfer of shares, they shall within ten (10) market days (or such period as the Directors may determine having regard to any limitation thereof as may be prescribed by the Stock Exchange from time to time) after the day on which the application for a transfer of shares was made, serve a notice in writing to the applicant, transferor and/or the transferee stating the facts which are considered to justify the refusal as required by the Statutes. Directors' power to decline to register a transfer
- (B) The Directors may in their sole discretion refuse to register any instrument of transfer of shares unless: When Directors may refuse to register a transfer
- (a) such fee not exceeding S\$2.00 (or such other fee as the Directors may determine having regard to any limitation thereof as may be prescribed by the Stock Exchange from time to time) as the Directors may from time to time require, is paid to the Company in respect thereof;
- (b) the amount of the proper duty (if any) with which each instrument of transfer is chargeable under any law for the time being in force relating to stamps is paid;
- (c) the instrument of transfer is deposited at the Office or at such other place (if any) as the Directors may appoint accompanied by a certificate of payment of stamp duty (if any), the certificates of the shares to which the transfer relates, and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer and, if the instrument of transfer is executed by some other person on his behalf, the authority of the person so to do; and
- (d) the instrument of transfer is in respect of only one (1) class of shares.

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| 39. | If the Directors refuse to register a transfer of any shares, they shall within ten (10) market days after the date on which the transfer was lodged with the Company send to the transferor and the transferee notice of the refusal as required by the Statutes. | Notice of refusal to register a transfer |
| 40. | All instruments of transfer which are registered may be retained by the Company. | Retention of transfers |
| 41. | There shall be paid to the Company in respect of the registration of any instrument of transfer or probate or letters of administration or certificate of marriage or death or stop notice or power of attorney or other document relating to or affecting the title to any shares or otherwise for making any entry in the Register of Members affecting the title to any shares such fee not exceeding S\$2.00 (or such other fee as the Directors may from time to time determine having regard to any limitation thereof as may be prescribed by the Stock Exchange from time to time). | Fees for registration of transfer |
| 42. | <p>The Company shall be entitled to destroy all instruments of transfer which have been registered at any time after the expiration of six (6) years from the date of registration thereof and all dividend mandates and notifications of change of address at any time after the expiration of six (6) years from the date of recording thereof and all share certificates which have been cancelled at any time after the expiration of six (6) years from the date of the cancellation thereof and it shall conclusively be presumed in favour of the Company that every entry in the Register of Members purporting to have been made on the basis of an instrument of transfer or other document so destroyed was duly and properly made and every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and every share certificate so destroyed was a valid and effective certificate duly and properly cancelled and every other document hereinbefore mentioned so destroyed was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company, Provided Always that:</p> <p>(a) the provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant;</p> <p>(b) nothing herein contained shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any other circumstances which would not attach to the Company in the absence of this Regulation; and</p> <p>(c) references herein to the destruction of any document include references to the disposal thereof in any manner.</p> | Destruction of transfers |

TRANSMISSION OF SHARES

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| 43. | (A) In the case of the death of a Member whose name is entered in the Register of Members, the survivors or survivor where the deceased was a joint holder, and the executors or administrators of the deceased where he was a sole or only surviving holder, shall be the only person(s) recognised by the Company as having any title to his interest in the shares. | Survivor or legal personal representatives of deceased Member |
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| (B) | In the case of the death of a Member who was a Depositor, the survivors or survivor where the deceased was a joint holder, and the executors or administrators of the deceased where he was a sole or only surviving holder and where such executors or administrators are entered in the Depository Register in respect of any shares of the deceased Member, shall be the only person(s) recognised by the Company as having any title to his interest in the shares. | Survivor or legal personal representative of deceased Depositor |
| (C) | Nothing in this Regulation shall release the estate of a deceased holder (whether sole or joint) from any liability in respect of any share held by him. | Estate of deceased holder |
| 44. (A) | Any of the following persons being (a) any person becoming entitled to a share in consequence of the death or bankruptcy of a Member whose name is entered in the Register of Members, and (b) any guardian of an infant becoming entitled to the legal title in a share and whose name is entered in the Register of Members, and (c) any person as properly has the management of the estate of a Member whose name is entered in the Register of Members and who is mentally disordered and incapable of managing himself or his affairs, may (subject as hereinafter provided) upon supplying to the Company such evidence as the Directors may reasonably require to show his legal title to the share, elect either be registered himself as holder of the share or to have another person nominated by him registered as the transferee thereof. The Directors shall, in any case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by a Member. | Transmission of shares |
| (B) | If the person so becoming entitled elects to be registered himself, he shall deliver or send to the Company a notice in writing (in a form as may be approved by the Directors from time to time) signed by him stating that he so elects. If he elects to have another person registered he shall testify his election by executing to that person a transfer of the share. All the limitations, restrictions and provisions of these Regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the event upon which transmission took place had not occurred and the notice or transfer were a transfer executed by such Member. | |
| (C) | Save as otherwise provided by or in accordance with these Regulations, a person becoming entitled to a share pursuant to transmission (upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share) shall be entitled to the same Dividends and other advantages as those to which he would be entitled if he were the registered holder in respect of the share except that he shall not be entitled in respect thereof (except with the authority of the Directors) to exercise any right conferred by membership in relation to meetings of the Company until he shall have been registered as a Member in the Register of Members or his name shall have been entered in the Depository Register in respect of the share. | Rights of person on transmission of shares |
| (D) | The Directors may at any time give notice requiring any person entitled to a share by transmission to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety (90) days the Directors may thereafter withhold payment of all | |

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Dividends, or other monies payable in respect of the share until the requirements of the notice have been complied with.

CENTRAL DEPOSITORY SYSTEM

45. A reference to a Member shall be a reference to a registered holder of shares in the Company, or where such registered holder is CDP, the Depositors on behalf of whom CDP holds the shares, Provided that:
- (a) except as required by the Statutes, a Depositor shall only be entitled to attend any general meeting and to speak and vote thereat if his name appears on the Depository Register maintained by CDP seventy-two (72) hours before the general meeting as a Depositor on whose behalf CDP holds shares in the Company, the Company being entitled to deem each such Depositor, or each proxy or proxies of a Depositor who is to represent the entire balance standing to the Securities Account of the Depositor, to represent such number of shares as is actually credited to the Securities Account of the Depositor as at such time, according to the records of CDP as supplied by CDP to the Company, and where a Depositor has apportioned the balance standing to his Securities Account between such number of proxies, to apportion the said number of shares between the proxies in the same proportion as previously specified by the Depositor in appointing the proxies; and accordingly no instrument appointing a proxy of a Depositor shall be rendered invalid merely by reason of any discrepancy between the proportion of Depositor’s shareholding specified in the instrument of proxy, or where the balance standing to a Depositor’s Securities Account has been apportioned between such number of proxies the aggregate of the proportions of the Depositor’s shareholding they are specified to represent, and the true balance standing to the Securities Account of a Depositor as at the time of the general meeting, if the instrument is dealt with in such manner as is provided above;
 - (b) the delivery by the Company to CDP of provisional allotments or share certificates in respect of the aggregate entitlements of Depositors to new shares offered by way of rights issue or other preferential offering or bonus issue shall to the extent of the delivery discharge the Company from any further liability to each such Depositor in respect of his individual entitlement; and
 - (c) the provisions in these Regulations relating to the transfers, transmissions or certification of shares shall not apply to the transfer of book-entry securities (as defined in the Statutes).

STOCK

46. The Company may from time to time by ordinary resolution convert any paid-up shares into stock and may from time to time by like resolution reconvert any stock into paid-up shares. Conversion of shares to stock and re-conversion

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47. The holders of stock may transfer the same or any part thereof in the same manner and subject to the same Regulations as and subject to which the shares from which the stock arose might previously to conversion have been transferred (or as near thereto as circumstances admit) but no stock shall be transferable except in such units as the Directors may from time to time determine. Transfer of stock
48. The holders of stock shall, according to the number of stock units held by them, have the same rights, privileges and advantages as regards dividend, return of capital, voting and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except as regards participation in the profits or assets of the Company) shall be conferred by the number of stock units which would not, if existing in shares, have conferred such privilege or advantage; and no such conversion shall affect or prejudice any preference or other special privileges attached to the shares so converted. Rights of stockholders

BONUS ISSUES AND CAPITALISATION OF PROFITS AND RESERVES

134. (A) The Directors may, with the sanction of an ordinary resolution of the Company (including any ordinary resolution passed pursuant to Regulation 8(B)); Power to issue free bonus shares and/or to capitalize reserves
- (a) issue bonus shares for which no consideration is payable to the Company to the persons registered as holders of shares in the Register of Members or (as the case may be) the Depository Register at the close of business on:
- (i) the date of the ordinary resolution (or such other date as may be specified therein or determined as therein provided); or
- (ii) (in the case of an ordinary resolution passed pursuant to Regulation 8(B)) such other date as may be determined by the Directors,
- in proportion to their then holdings of shares; and/or
- (b) capitalise any sum standing to the credit of any of the Company’s reserve accounts or other undistributable reserve or any sum standing to the credit of profit and loss account by appropriating such sum to the persons registered as holders of shares in the Register of Members or (as the case may be) in the Depository Register at the close of business on:
- (i) the date of the ordinary resolution (or such other date as may be specified therein or determined as therein provided); or
- (ii) (in the case of an ordinary resolution passed pursuant to Regulation 8(B)) such other date as may be determined by the Directors,
- in proportion to their then holdings of shares and applying such sum on their behalf in paying up in full new shares (or, subject to any special rights previously conferred on any shares or class of shares for the time being issued, new shares of any other

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class not being redeemable shares) for allotment and distribution credited as fully paid up to and amongst them as bonus shares in the proportion aforesaid.

- (B) The Directors may do all acts and things considered necessary or expedient to give effect to any such bonus issue and/or capitalisation under Regulation 134(A), with full power to the Directors to make such provisions as they think fit for any fractional entitlements which would arise on the basis aforesaid (including provisions whereby fractional entitlements are disregarded or the benefit thereof accrues to the Company rather than to the Members concerned). The Directors may authorise any person to enter on behalf of all the Members interested into an agreement with the Company providing for any such bonus issue or capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.
- Power of Directors to give effect to bonus issues and capitalisations
135. In addition and without prejudice to the powers provided for by Regulation 134, the Directors shall have power to issue shares for which no consideration is payable and/or to capitalise any undivided profits or other moneys of the Company not required for the payment or provision of any dividend on any shares entitled to cumulative or non-cumulative preferential dividends (including profits or other moneys carried and standing to any reserve or reserves) and to apply such profits or other moneys in paying up in full new shares, in each case on terms that such shares shall, upon issue, be held by or for the benefit of participants of any share incentive or option scheme or plan implemented by the Company and approved by Members in general meeting in such manner and on such terms as the Directors shall think fit.
- Power to issue free shares and/or to capitalize reserves for employee share based incentive plans

WINDING UP

145. The Directors shall have power in the name and on behalf of the Company to present a petition to the court for the Company to be wound up.
- Power to present winding up Petition
146. If the Company shall be wound up (whether the liquidation is voluntary, under supervision, or by the court) the liquidator may, with the authority of a special resolution, divide among the Members in specie or kind the whole or any part of the assets of the Company and whether or not the assets shall consist of property of one kind or shall consist of properties of different kinds, and may for such purpose set such value as he deems fair upon any one (1) or more class or classes of property and may determine how such division shall be carried out as between the Members. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of Members as the liquidator with the like authority shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no contributory shall be compelled to accept any shares or other property in respect of which there is a liability.
- Distribution of assets in specie
147. In the event of a winding up of the Company every Member of the Company who is not for the time being in the Republic of Singapore shall be bound, within fourteen (14) days after the passing of an effective resolution to wind up the Company voluntarily, or within the like period after the making of an order for the winding up of the Company, to serve notice in writing on the Company
- Member outside Singapore

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appointing some householder in the Republic of Singapore upon whom all summonses, notices, processes, orders and judgments in relation to or under the winding up of the Company may be served, and in default of such nomination the liquidator of the Company shall be at liberty on behalf of such Member to appoint some such person, and service upon any such appointee shall be deemed to be a good personal service on such Member for all purposes, and where the liquidator makes any such appointment he shall, with all convenient speed, give notice thereof to such Member by advertisement in any leading daily newspaper in the English language in circulation in Singapore or by a registered letter sent through the post and addressed to such Member at his address as appearing in the Register of Members or (as the case may be) the Depository Register, and such notice shall be deemed to be served on the day following that on which the advertisement appears or the letter is posted.

2. Rights in respect of dividends

RESERVES

120. The Directors may from time to time set aside out of the profits of the Company and carry to reserve such sums as they think proper which, at the discretion of the Directors, shall be applicable for any purpose to which the profits of the Company may properly be applied and pending such application may either be employed in the business of the Company or be invested. The Directors may divide the reserve into such special funds as they think fit and may consolidate into one (1) fund any special funds or any parts of any special funds into which the reserve may have been divided. The Directors may also, without placing the same to reserve, carry forward any profits. In carrying sums to reserve and in applying the same the Directors shall comply with the provisions (if any) of the Statutes.
- Reserves

DIVIDENDS

121. The Company may by ordinary resolution declare Dividends but no such Dividend shall exceed the amount recommended by the Directors.
- Declaration of dividends
122. If and so far as in the opinion of the Directors the profits of the Company justify such payments, the Directors may declare and pay the fixed Dividends on any class of shares carrying a fixed Dividend expressed to be payable on fixed dates on the half-yearly or other dates prescribed for the payment thereof and may also from time to time declare and pay interim dividends on shares of any class of such amounts and on such dates and in respect of such periods as they think fit.
- Interim dividends
123. Subject to any rights or restrictions attached to any shares or class of shares and except as otherwise permitted under the Act:
- Appointment of dividends
- (a) all Dividends in respect of shares must be paid in proportion to the number of shares held by a Member, but where shares are partly paid all dividends must be apportioned and paid proportionately to the amounts paid or credited as paid on the partly paid shares; and
- (b) all Dividends must be apportioned and paid proportionately to the amounts so paid or credited as paid during any portion or portions of the period in respect of which the dividend is paid.

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- For the purposes of this Regulation, an amount paid or credited as paid on a share in advance of a call is to be ignored.
124. No Dividend shall be paid otherwise than out of profits available for distribution under the provisions of the Statutes. Dividends payable out of profits
125. No Dividend or other moneys payable on or in respect of a share shall bear interest as against the Company. No interest on dividends
126. (A) The Directors may retain any Dividend or other moneys payable on or in respect of a share on which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists. Retention of dividends on shares subject to lien
- (B) The Directors may retain the Dividends payable upon shares in respect of which any person is under the provisions as to the transmission of shares hereinbefore contained entitled to become a Member, or which any person is under those provisions entitled to transfer, until such person shall become a Member in respect of such shares or shall transfer the same. Retention of dividends pending transmission
- (C) A transfer of shares shall not pass the right to any Dividend declared thereon before the registration of the transfer.
127. The waiver in whole or in part of any Dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the Member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Company. Waiver of dividends
128. The payment by the Directors of any unclaimed Dividends or other moneys payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof. All Dividends and other moneys payable on or in respect of a share that are unclaimed after first becoming payable may be invested or otherwise made use of by the Directors for the benefit of the Company and any Dividend or any such moneys unclaimed after a period of six (6) years from the date they are first payable may be forfeited and if so shall revert to the Company, Provided Always that the Directors may at any time thereafter at their absolute discretion annul any such forfeiture and pay the moneys so forfeited to the person entitled thereto prior to the forfeiture. If the Depository returns any such dividend or moneys to the Company, the relevant Depositor shall not have any right or claim in respect of such Dividend or moneys against the Company if a period of six (6) years has elapsed from the date of such Dividend or other moneys are first payable. Unclaimed dividends or other moneys
129. The Company may upon the recommendation of the Directors by ordinary resolution direct payment of a Dividend in whole or in part by the distribution of specific assets (and in particular of paid-up shares or debentures of any other company) and the Directors shall give effect to such resolution. Where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient and in particular may issue fractional certificates, may fix the value for distribution of such specific assets or any part thereof, may determine that cash payments shall be made to any Member upon the footing of the value so fixed in order to adjust the rights of all parties and may vest any such specific assets in trustees as may seem expedient to the Directors. Payment of dividend in specie

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130. Any Dividend or other moneys payable in case on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address appearing in the Register of Members or (as the case may be) the Depository Register of a Member or person entitled thereto (or, if two (2) or more persons are registered in the Register of Members or (as the case may be) entered in the Depository Register as joint holders of the share or are entitled thereto in consequence of the death or bankruptcy of the holder, to any one (1) of such persons) or to such person at such address as such Member or person or persons may by writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such person as the holder or joint holders or person or persons entitled to the share in consequence of the death or bankruptcy of the holder may direct and payment of the cheque or warrant by the banker upon whom it is drawn shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby.
131. Notwithstanding the provisions of Regulation 130 and the provisions of Regulation 132, the payment by the Company to the Depository of any dividend payable to a Depositor shall, to the extent of the payment made to the Depository, discharge the Company from any liability to the Depositor in respect of that payment.
132. If two (2) or more persons are registered in the Register of Members or (as the case may be) the Depository Register as joint holders of any share, or are entitled jointly to a share in consequence of the death or bankruptcy of the holder, any one of them may give effectual receipts for any Dividend or other moneys payable or property distributable on or in respect of the share.
133. Any resolution declaring a Dividend on shares of any class, whether a resolution of the Company in general meeting or a resolution of the Directors, may specify that the same shall be payable to the persons registered as the holders of such shares in the Register of Members or (as the case may be) the Depository Register at the close of business on a particular date and thereupon the Dividend shall be payable to them in accordance with their respective holdings so registered, but without prejudice to the rights inter se in respect of such Dividend of transferors and transferees of any such shares.

3. Rights in respect of voting

GENERAL MEETINGS

49. Save as otherwise permitted under the Act, an annual general meeting shall be held once in every year, at such time (within a period of not more than fifteen (15) months after the holding of the last preceding annual general meeting) and place in Singapore as may be determined by the Directors (subject to the Listing Rules). All other general meetings shall be called extraordinary general meetings. The interval between the close of a financial year of the Company and the date of the Company’s annual general meeting shall not exceed four (4) months or such other period as prescribed by the Act and the Listing Rules or other legislation applicable to the Company from time to time.

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50. The Directors may whenever they think fit, and shall on requisition in accordance with the Statutes, proceed with proper expedition to convene an extraordinary general meeting.
- Calling extraordinary general meeting

NOTICE OF GENERAL MEETINGS

51. Any annual general meeting and any extraordinary general meeting at which it is proposed to pass a special resolution or (save as provided by the Statutes) a resolution of which special notice has been given to the Company, shall be called by twenty-one (21) clear days’ notice in writing at the least and any other annual general meeting and any other extraordinary general meeting by clear fourteen (14) clear days’ notice in writing at the least. The period of notice shall in each case be exclusive of the day on which it is served or deemed to be served and of the day on which the meeting is to be held and shall be given in the manner hereinafter mentioned to all Members other than such as are not under the provisions of these Regulations and the Statutes entitled to receive such notices from the Company; Provided that a general meeting notwithstanding that it has been called by a shorter notice than that specified above shall be deemed to have been duly called if it is so agreed:
- (a) in the case of an annual general meeting by all the Members entitled to attend and vote thereat; and
- (b) in the case of an extraordinary general meeting by a majority in number of the Members having a right to attend and vote thereat, being a majority together holding not less than ninety-five (95) per cent of the total voting rights of all the Members having a right to vote at that meeting,
- Notice of general meeting

Provided also that the accidental omission to give notice to or the non-receipt of notice by any person entitled thereto shall not invalidate the proceedings at any general meeting. So long as the shares in the Company are listed on the Stock Exchange, at least fourteen (14) clear days’ notice of any general meeting shall be given by advertisement in the daily press and in writing to the Stock Exchange. Provided Always that in the case of any general meeting at which it is proposed to pass a special resolution, at least twenty-one (21) clear days’ notice in writing (excluding the date of notice and the date of meeting) of such general meeting shall be given by advertisement in the daily press and in writing to the Stock Exchange.

52. (A) Every notice calling a general meeting shall specify the place in Singapore, day and hour of the meeting, and there shall appear with reasonable prominence in every such notice a statement that a Member entitled to attend and vote is entitled to appoint a proxy or proxies to attend and vote instead of him and that a proxy need not be a Member of the Company.
- (B) In the case of an annual general meeting, the notice shall also specify the meeting as such.
- (C) In the case of any general meeting at which business other than routine business is to be transacted, the notice shall specify the general nature of such business; and if any resolution is to be
- Contents of notice of general meeting
- Contents of notice for annual general meeting
- Notice of general meeting for special business

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- proposed as a special resolution, the notice shall contain a statement to that effect. and special resolutions
53. Routine business shall mean and include only business transacted at an annual general meeting of the following classes, that is to say: Routine business
- (a) declaring Dividends;
 - (b) receiving and adopting the financial statements, the Directors’ statement and Auditors’ report and other documents required to be attached or annexed to the financial statements;
 - (c) appointing or re-appointing Directors to fill vacancies arising at the meeting on retirement whether by rotation or otherwise;
 - (d) re-appointing the retiring Auditors (unless they were last appointed otherwise than by the Company in general meeting);
 - (e) fixing the remuneration of the Auditors or determining the manner in which such remuneration is to be fixed; and
 - (f) fixing the remuneration of the Directors proposed to be paid under Regulation 79.
54. Any notice of a general meeting to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution on the Company in respect of such special business. Statement regarding effect of special business

PROCEEDINGS AT GENERAL MEETINGS

55. The Chairman of the Board of Directors, failing whom the Deputy Chairman, shall preside as chairman at a general meeting. If there be no such Chairman or Deputy Chairman, or if at any meeting neither be present within ten (10) minutes after the time appointed for holding the meeting or is willing to act, the Directors present shall choose one of their number (or, if no Director be present or if all the Directors present decline to take the chair, the Members present shall choose one of their number) to be chairman of the meeting. If required by the listing rules of the Stock Exchange, all general meetings shall be held in Singapore, unless prohibited by the Statutes and regulations of the jurisdiction of the Company’s incorporation, or unless such requirement is waived by the Stock Exchange. Chairman of general meeting
56. No business other than the appointment of a chairman shall be transacted at any general meeting unless a quorum is present at the time when the meeting proceeds to business. Save as herein otherwise provided, the quorum at any general meeting shall be two (2) or more Members present in person or by proxy. Provided that Quorum
- (i) a proxy representing more than one (1) Member shall only count as one (1) Member for the purpose of determining the quorum; and
 - (ii) where a Member is represented by more than one (1) proxy, such proxies shall count as only one (1) Member for purposes of

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determining the quorum. For the purposes of a quorum, joint holders of any share shall be treated as one (1) Member.

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| 57. | If within thirty (30) minutes from the time appointed for a general meeting (or such longer interval as the chairman of the meeting may think fit to allow) a quorum is not present, the meeting, if convened on the requisition of Members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week (or if that day is a public holiday then to the next business day following public holiday) at the same time and place or such other day, time or place as the Directors may by not less than ten (10) days’ notice appoint. At the adjourned meeting any one (1) or more Members present in person or by proxy shall be a quorum. | If quorum not present, adjournment or dissolution of meeting |
| 58. | The chairman of any general meeting at which a quorum is present may with the consent of the meeting (and shall if so directed by the meeting) adjourn the meeting from time to time (or sine die) and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. Where a meeting is adjourned sine die, the time and place for the adjourned meeting shall be fixed by the Directors. When a meeting is adjourned for thirty (30) days or more or sine die, notice of the adjourned meeting shall be given in like manner as in the case of the original meeting. | Business at adjourned meeting |
| 59. | Save as hereinbefore expressly provided, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned general meeting. | Notice of adjournment not required |
| 60. | At each general meeting, no amendment to any resolution proposed in the notice of general meeting may be considered or voted upon other than amendments to correct minor clerical errors which do not affect the substance of the resolution. | Appointment of resolutions |
| 61. | <p>(A) If required by the Listing Rules, at any general meeting, a resolution put to the vote of the meeting shall be decided by poll (unless such requirement is waived by the Stock Exchange).</p> <p>(B) Subject to Regulation 61(A), at any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands by the Members present in person and entitled to vote, unless a poll is (before or on the declaration of the result of the show of hands) demanded by:</p> <p>(a) the chairman of the meeting; or</p> <p>(b) not less than five (5) Members present in person or by proxy and entitled to vote at the meeting; or</p> <p>(c) a Member or Members present in person or by proxy and representing not less than five (5) per cent. of the total voting rights of all the Members having the right to vote at the general meeting; or</p> <p>(d) a Member or Members present in person or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than five (5) per cent. of the total sum paid on all the shares conferring that right.</p> | Method of voting |

Provided Always that no poll shall be demanded on the choice of a chairman or on a question of adjournment.

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- (C) If any votes be counted which ought not to have been counted or might have been rejected, the error shall not vitiate the result of the voting unless it be pointed out at the same general meeting or at any adjournment thereof and not in any case unless it shall in the opinion of the Chairman be of sufficient magnitude.
62. A demand for a poll may be withdrawn only with the approval of the meeting. Unless a poll is required a declaration by the chairman of the meeting that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book, shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded for or against such resolution. If a poll is required, it shall be taken in such manner (including the use of ballot or voting papers or tickets or electronic means) as the chairman of the meeting may direct, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The chairman of the meeting may (and, if required by the Listing Rules or if so directed by the meeting shall) appoint scrutineers and where required by the Listing Rules, (i) at least one (1) scrutineer shall be appointed for each general meeting and the appointed scrutineer(s) shall be independent of the persons undertaking the polling process; and (ii) the appointed scrutineer(s) shall (a) ensure that satisfactory procedures of the voting process are in place before the general meeting; and (b) direct and supervise the count of the votes cast through proxy and in person, and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll. Taking a poll
63. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a casting vote in addition to the votes to which he may be entitled as a Member or as proxy of a Member. Casting vote of chairman
64. A poll demanded on any question shall be taken either immediately or at such subsequent time (not being more than thirty (30) days from the date of the general meeting) and place as the chairman of the general meeting may direct. No notice need be given of a poll not taken immediately. The demand for a poll pursuant to Regulation 61(B) shall not prevent the continuance of the meeting for the transaction of any business other than the question on which the poll has been demanded. Continuance of business after demand for a poll

VOTES OF MEMBERS

65. (A) Subject and without prejudice to any special rights, privileges or restrictions as to voting for the time being attached by or in accordance with these Regulations to any class of shares, each Member entitled to vote may vote in person or by proxy in respect of any fully paid-up shares and of any shares upon which calls due and payable to the Company shall have been paid. How Members may vote
- (B) On a show of hands, every Member who is present in person or by proxy shall have one (1) vote, provided that:
- (a) in the case of a Member who is not a relevant intermediary and who is represented by two (2) proxies, only one (1) of the two (2) proxies as determined by that Member or, failing such determination, by the chairman of the meeting (or by a person authorised by him) in his sole discretion shall be entitled to vote on a show of hands; and

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- (b) in the case of a Member who is a relevant intermediary and who is represented by two (2) or more proxies, each proxy shall be entitled to vote on a show of hands.
- (C) On a poll every Member who is present in person or by proxy shall have one (1) vote for every share which he holds or represents.
- (D) For the purpose of determining the number of votes which a Member, being a Depositor, or his proxy or proxies may cast at any general meeting on a poll, the reference to shares held or represented shall, in relation to shares of that Depositor, be the number of shares entered against his name in the Depository Register as at seventy-two (72) hours before the time of the relevant general meeting as certified by the Depository to the Company. A Member who is bankrupt shall not, while his bankruptcy continues, be entitled to exercise his rights as a Member, or attend, vote or act at any general meeting.
66. In the case of joint holders of a share, any one (1) of such persons may vote and be reckoned in a quorum at any general meeting either personally or by proxy as if he were solely entitled thereto, but if more than one of such persons is present at a meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members or (as the case may be) the name which appears first in the Depository Register in respect of the joint holding. Several executors or administrators of a deceased Member in whose name any share stands shall for the purpose of this Regulation be deemed joint holders thereof. Voting rights of joint holders
67. Where in Singapore or elsewhere a receiver or other person (by whatever name called) has been appointed by any court claiming jurisdiction in that behalf to exercise powers with respect to the property or affairs of any Member on the ground (however formulated) of mental disorder, the Directors may in their absolute discretion, upon or subject to production of such evidence of the appointment as the Directors may require being deposited at the Office not less than seventy-two (72) hours before the time appointed for holding the general meeting, permit such receiver or other person on behalf of such Member to vote in person or by proxy at any general meeting or to exercise any other right conferred by membership in relation to meetings of the Company. Voting by receivers
68. No Member shall, unless the Directors otherwise determine, be entitled in respect of shares held by him to vote at a general meeting either personally or by proxy or to exercise any other right conferred by membership in relation to meetings of the Company if any call or other sum presently payable by him to the Company in respect of such shares remains unpaid. Entitlement of Members to vote
69. No objection shall be raised as to the admissibility of any vote except at the general meeting or adjourned general meeting at which the vote objected to is or may be given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection shall be referred to the chairman of the meeting whose decision shall be final and conclusive. When objection to admissibility of votes may be made
70. On a poll, votes may be given either personally or by proxy and a person entitled to more than one (1) vote need not use all his votes or cast all the votes he uses in the same way. Vote on a poll

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71.	(A)	Save as otherwise provided in the Act:	Appointment of proxies
	(a)	a Member who is not a relevant intermediary may appoint not more than two (2) proxies to attend, speak and vote at the same general meeting. Where such Member’s form of proxy appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy; and	
	(b)	a Member who is a relevant intermediary may appoint more than two (2) proxies to attend, speak and vote at the same general meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such Member. Where such Member’s form of proxy appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.	
	(B)	(a) In any case where a Member is a Depositor, the Company shall be entitled and bound:	Notes and instructions
		(i) to reject any instrument of proxy lodged by that Depositor if he is not shown to have any shares entered against his name in the Depository Register as at seventy-two (72) hours before the time of the relevant general meeting as certified by the Depository to the Company; and	
		(ii) to accept as the maximum number of votes which in aggregate the proxy or proxies appointed by the Depositor is or are able to cast on a poll a number which is the number of shares entered against the name of that Depositor in the Depository Register as at seventy-two (72) hours before the time of the relevant general meeting as certified by the Depository to the Company, whether that number is greater or smaller than the number specified in any instrument of proxy executed by or on behalf of that Depositor.	
		(b) The Company shall also be entitled and bound, in determining rights to vote and other matters in respect of a completed instrument of proxy submitted to it, to have regard to the instructions (if any) given by and the notes (if any) set out in the instrument of proxy.	
	(C)	Where a Member appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy, failing which the nomination shall be deemed to be alternative.	Proportion of shareholdings to be represented by proxies
	(D)	A proxy need not be a Member of the Company.	Proxy need not be a Member
72.	(A)	An instrument appointing a proxy shall be in writing in any usual or common form or in any other form which the Directors may approve and:	Execution of proxies
	(a)	in the case of an individual,	

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- (i) shall be signed by the appointor or his attorney if the instrument of proxy is delivered personally or sent by post; or
 - (ii) authorised by that individual through such method and in such manner as may be approved by the Directors, if the instrument is submitted by electronic communication; and
- (b) in the case of a corporation,
- (i) shall be either given under its common seal (or by the signatures of authorised persons in the manner set out under the Act as an alternative to sealing) or signed on its behalf by an attorney or a duly authorized officer of the corporation if the instrument of proxy is delivered personally or sent by post; or
 - (ii) authorised by that corporation through such method and in such manner as may be approved by the Directors, if the instrument is submitted by electronic communication.

The Directors may, for the purposes of Regulations 72(A)(a)(ii) and 72(A)(b)(ii), designate procedures for authenticating any such instrument, and any such instrument not so authenticated by use of such procedures shall be deemed not to have been received by the Company.

- (B) The signatures on such instrument need not be witnessed. Where an instrument appointing a proxy is signed on behalf of an appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy pursuant to the next following Regulation, failing which the instrument may be treated as invalid. Witness and authority
- (C) Subject to the Statutes and the Listing Rules the Directors may, in their absolute discretion:
- (a) approve the method and manner for an instrument appointing a proxy to be authorised; and
 - (b) designate the procedure for authenticating an instrument appointing a proxy,

as contemplated in Regulations 72(A)(a)(ii) and 72(A)(b)(ii) for application to such Members or class of Members as they may determine. Where the Directors do not so approve and designate in relation to a Member (whether of a class or otherwise), Regulation 72(A)(a)(i) and/or (as the case may be) Regulation 72(A)(b)(i) shall apply.

73. (A) An instrument appointing a proxy or the power of attorney or other authority, if any: Deposit of proxies
- (a) if sent personally or by post, must be left at the Office or such other place (if any) as is specified for that purpose in or by way of note to or in any document accompanying the notice convening the meeting; or

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- (b) if submitted by electronic communication, must be received through such means as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the general meeting,

and in either case, not less than seventy-two (72) hours before the time appointed for the holding of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used, and in default shall not be treated as valid.

- (B) Subject to the Statutes and the Listing Rules, the Directors may, in their absolute discretion, and in relation to such Members or class of Members as they may determine, specify the means through which instruments appointing a proxy may be submitted by electronic communications, as contemplated in Regulation 73(A)(b). Where the Directors do not so specify in relation to a Member (whether of a class or otherwise), Regulation 73(A)(a) shall apply.

- (C) The instrument shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting as for the meeting to which it relates; Provided that an instrument of proxy relating to more than one (1) meeting (including any adjournment thereof) having once been so delivered for the purposes of any meeting shall not require again to be delivered for the purposes of any subsequent meeting to which it relates.

- (D) An instrument appointing a proxy shall be deemed to include the right to demand or join in demanding a poll, to move any resolution or amendment thereto and to speak at the meeting.

Rights of proxies

74. A vote cast by proxy in accordance with the terms of an instrument of proxy (which for the purposes of this Constitution shall also include a power of attorney) shall not be invalidated by the previous death or mental disorder of the principal or by the revocation of the appointment of the proxy or of the authority under which the appointment was made or the transfer of the share in respect of which the proxy is given, Provided that no notice in writing of such death, mental disorder or revocation shall have been received by the Company at the Office (or such other place as may be specified for the deposit of instruments appointing proxies) at least one (1) hour before the commencement of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) the time appointed for the taking of the poll at which the vote is cast.

Intervening death or insanity

75. Subject to these Regulations and the Statutes, the Directors may, at their sole discretion, approve and implement, subject to such security measures as may be deemed necessary or expedient, such voting methods to allow Members who are unable to vote in person at any general meeting the option to vote in absentia, including but not limited to voting by mail, electronic mail or facsimile.

Approval of voting methods other than voting in person

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CORPORATIONS ACTING BY REPRESENTATIVES

76. Any corporation which is a Member of the Company may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any general meeting of the Company or of any class of Members. The person so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise if it were an individual Member of the Company and such corporation shall for the purposes of these Regulations (but subject to the Act) be deemed to be present in person at any such meeting if a person so authorised is present thereat.
- Corporations
acting by
representatives

NOTICES

141. (A) Any notice or document (including a share certificate) may be served on or delivered to any Member by the Company either personally or by sending it through the post in a prepaid cover addressed to such Member at his registered address appearing in the Register of Members or (as the case may be) the Depository Register, or (if he has no registered address within Singapore) to the address, if any, within Singapore supplied by him to the Company or (as the case may be) supplied by him to the Depository as his address for the service of notices, or by delivering it to such address as aforesaid. Where a notice or other document is served or sent by post, service or delivery shall be deemed to be effected at the time when the cover containing the same is posted, and in proving such service or delivery, it shall be sufficient to prove that such cover was properly addressed, stamped and posted.
- Service of
notices
- (B) Without prejudice to the provisions of Regulation 141(A), but subject otherwise to any applicable laws relating to electronic communications and the Listing Rules, any notice or document (including, without limitation, any financial statement, balance-sheet, or report) which is required or permitted to be given, sent or served under applicable laws or under these Regulations by the Company, or by the Directors, to a Member or an officer or Auditor of the Company may be given, sent or served using electronic communications:
- Electronic
communications
- (a) to the current address of that person;
- (b) by making it available on a website prescribed by the Company from time to time; or
- (c) in such manner as such Member expressly consents to by giving notice in writing to the Company,
- in accordance with the provisions of this Constitution and any applicable laws and the Listing Rules.
- (C) For the purposes of Regulation 141(B) above, a Member shall be implied to have agreed to receive such notice or document by way of such electronic communications and shall not have a right to elect to receive a physical copy of such notice or document, unless otherwise provided under applicable laws and the Listing Rules.
- (D) Notwithstanding Regulation 141(C) above, the Directors may, at their discretion, at any time give a Member an opportunity to elect within a specified period of time whether to receive such notice or document

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by way of electronic communications or as a physical copy, and such Member shall be deemed to have consented to receive such notice or document by way of electronic communications if he was given such an opportunity and he failed to make an election within the specified time, and he shall not in such an event have a right to receive a physical copy of such notice or document, unless otherwise provided under applicable laws.

- (E) Where a notice or document is given, sent or served by electronic communications:
- (a) to the current address of a person pursuant to Regulation 141(B)(a), it shall be deemed to have been duly given, sent or served at the time of transmission of the electronic communication by the email server or facility operated by the Company or its service provider to the current address of such person (notwithstanding any delayed receipt, non-delivery or “returned mail” reply message or any other error message indicating that the electronic communication was delayed or not successfully sent), unless otherwise provided under applicable laws;
 - (b) by making it available on a website pursuant to Regulation 141(B)(b), it shall be deemed to have been duly given, sent or served on the date on which the notice or document is first made available on the website, or unless otherwise provided under applicable laws.
- (F) When a given number of days’ notice or notice extending over any other period is required to be given the day of service shall, unless it is otherwise provided or required by these Regulations or by the Act, be not counted in such number of days or period.
- (G) Where a notice or document is given, sent or served to a Member by making it available on a website pursuant to Regulation 141(E)(b), the Company shall give separate notice to the Member of the publication of the notice or document on that website and the manner in which the notice or document may be accessed by any one or more of the following means:
- (a) by sending such separate notice to the Member personally or through the post pursuant to Regulation 141(A);
 - (b) by sending such separate notice to the Member using electronic communications to his current address pursuant to Regulation 141 (B)(a);
 - (c) by way of advertisement in the daily press; and/or
 - (d) by way of announcement on the Stock Exchange.
- (H) For the avoidance of doubt, the giving, sending or service of notices or documents using electronic communications under Regulation 141(B) shall be subject at all times to the prevailing rules and requirements of the Stock Exchange, for so long as the Company is listed on the Stock Exchange.

**APPENDIX VI – RELEVANT EXTRACTS FROM
THE COMPANY’S CONSTITUTION**

- | | | |
|------|--|--|
| 142. | Any notice given to that one of the joint holders of a share whose name stands first in the Register of Members or (as the case may be) the Depository Register in respect of the share shall be sufficient notice to all the joint holders in their capacity as such. For such purpose a joint holder having no registered address in Singapore and not having supplied an address within Singapore for the service of notices shall be disregarded. | Service of notices in respect of joint holders |
| 143. | A person entitled to a share in consequence of the death or bankruptcy of a Member upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share, and upon supplying also to the Company or (as the case may be) the Depository an address within Singapore for the service of notices, shall be entitled to have served upon or delivered to him at such address any notice or document to which the Member but for his death or bankruptcy would have been entitled, and such service or delivery shall for all purposes be deemed a sufficient service or delivery of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share. Save as aforesaid, any notice or document delivered or sent by post to or left at the registered address of any Member or given, sent or served by electronic communications to the current address (as the case may be) of any Member in pursuance of these Regulations shall, notwithstanding that such Member be then dead or bankrupt or in liquidation, and whether or not the Company or (as the case may be) the Depository shall have notice of his death or bankruptcy or liquidation, be deemed to have been duly served or delivered in respect of any share registered in the name of such Member in the Register of Members or, where such Member is a Depositor, entered against his name in the Depository Register as sole or first-named joint holder. | Service of notice after death, bankruptcy etc |
| 144. | <p>(A) A Member who (having no registered address within Singapore) has not supplied to the Company or (as the case may be) the Depository an address within Singapore for the service of notices shall not be entitled to receive notices or other documents from the Company.</p> <p>(b) If the Company is unable, for not less than ten (10) years and despite the exercise of reasonable diligence, to discover the whereabouts of a Member, it may exercise its power under the Statutes to transfer the shares of the Member to the Official Receiver of Singapore for sale by the Official Receiver and credit of the proceeds thereof into the Singapore Companies Liquidation Account, and thereafter any person claiming the shares otherwise than through the Official Receiver shall only be entitled to claim against the said Account or the Singapore Consolidated Fund as the case may be, in accordance with the provisions of the Statutes.</p> | <p>No notice to Members with no registered address in Singapore</p> <p>Transfer of shares where Member's whereabouts are unable to be discovered</p> |

APPENDIX VII – SUMMARY VALUATION REPORT

Our Ref: V/2024/2368/CORP

1 October 2024

Dyna-Mac Holdings Ltd.
45 Gul Road
Singapore 629350

Dear Sirs

VALUATION OF

**31, 33, 45, 59 AND 49 GUL ROAD
SINGAPORE 629358/59/50/54/60 (“GUL”)**

**PID1992020483, 35 PIONEER ROAD, C,
SINGAPORE 628503 (“PIONEER”)**

**13 PANDAN CRESCENT
SINGAPORE 128469 (“PANDAN”)**

(COLLECTIVELY THE “PROPERTIES”)



Savills Valuation And
Professional Services (S) Pte Ltd
Reg No : 200402411G

30 Cecil Street
#20-03 Prudential Tower
Singapore 049712

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savills.com

Pursuant to the instructions of Dyna-Mac Holdings Ltd. (the “Client”) for us to value the Properties, we have made relevant enquiries and obtained such information as we consider necessary for the purpose of providing you with our opinion of the Market Values as at 1 October 2024 of the un-expired leasehold interest in the Properties. We have assessed the Properties on As-Is basis, with vacant possession and free from all encumbrances.

This valuation has been prepared for Voluntary Conditional Cash Offer purpose and can be relied upon by the Client only. Any use of or reliance upon our reports by anyone other than the Client is not authorised by Savills and Savills is not liable for any unauthorised use or reliance. Our reports should not be produced without our prior written consent.

The valuation has been carried out in accordance with The Singapore Institute of Surveyors And Valuers (SISV) Valuation Standards and Practice Guidelines.

Our valuation is on the basis of Market Value which is intended to mean “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.”

This definition of market value is also consistent with that as advocated by the Royal Institution of Chartered Surveyors (RICS) Standards and Guidelines and International Valuation Standards Council (IVSC).

Our valuations have been made on the assumption that the Properties are sold in the open market without the benefit of a deferred term contract or any similar arrangement which could serve to affect the values of the Properties.

Savills Valuation and Professional Services (S) Pte Ltd (“Savills”) has relied upon the property data supplied by the Client which we assume to be true and accurate. Savills takes no responsibility for inaccurate data supplied by the Client and subsequent conclusions related to such data.

No allowance has been made in our valuations for any charges, mortgages or amounts owing on the Properties, nor for any expenses or taxation which may be incurred in effecting a sale. It is assumed that the Properties are free from any major or material encumbrances, restrictions and outgoings of an onerous nature which could affect their values.

The reported analysis, opinion and conclusion are limited only by the reported assumptions and limiting conditions and is our personal, unbiased professional analyses, opinions and conclusions.

APPENDIX VII – SUMMARY VALUATION REPORT



We confirm that we do not have a pecuniary interest that would conflict with a proper valuation of the Properties and the valuers undertaking the valuation are authorised to practice as valuers and have the necessary expertise and experience in valuation of such type of Properties.

Brief description of the Properties can be summarized as follows:

Address	Lot Nos.	Site Area (sm)	GFA* (sm)	Tenure
31 Gul Road	3367N Mukim 7	6,006.3	4,049.84	Leasehold 16 years + 20 years commencing on 1 July 2014 (balance un-expired lease term of about 25.8 years)
33 Gul Road	2898A & 3368X Mukim 7	26,639.6	10,949.60	Leasehold 23 years 2 months + 19 years 7 months commencing on 1 October 2007 (balance un-expired lease term of about 25.8 years)
45 Gul Road	1209N Mukim 7	38,028.0	14,154.29	Leasehold 16 years + 19 years 7 months commencing on 1 December 2014 (balance un-expired lease term of about 25.8 years)
59 Gul Road	1210A Mukim 7	39,666.0	5,364.72	Leasehold 23 years 2 months + 19 years 7 months commencing on 1 October 2007 (balance un-expired lease term of about 25.8 years)
49 Gul Road	3382A Mukim 7	44,788.8	7,895.91	Leasehold 27 years commencing on 1 December 2003 (balance un-expired lease term of about 6.2 years)
PID1992020483, 35 Pioneer Road, C	1439M Mukim 7	42,292.0	10,753.37**	Leasehold 26 years 6 months commencing on 1 January 2024 (balance un-expired lease term of about 25.8 years), according to JTC Offer for Lease dated 12 October 2023
13 Pandan Crescent	7309W Mukim 5	29,974.9	8,754.92	Leasehold 20 years commencing on 1 October 2014. We have been instructed by Client to assess the property based on a balance lease of 4.3 years un-expired term, after taken into consideration of the surrender of 5 years 9 months from the original lease in accordance with JTC Variation of Lease dated 25 October 2023 and JTC Offer for Lease for PID 1992020483, 35 Pioneer Road, C, dated 12 October 2023 as provided.
Total		227,395.6	61,922.65	

* As provided by Client and subject to final survey

** GFA based upon completion of the proposed development

In arriving at our opinion of Market Values, we have adopted the Direct Comparison Method as the primary method and Income Capitalisation Method/ Cost Method as a check.

Direct Comparison Method

In this method, a comparison is made with sales of comparable properties in the subject or comparable vicinities. Adjustments are made for differences in location, tenure, age/condition, size, type, approved use, standard of building services and facilities provided, and date of sale, etc. before arriving at the market values of the Properties.

Income Capitalisation Method

Under this approach, we have considered the recent rent evidence for similar properties available from various sources in the market. The estimated market net income is capitalised at an appropriate market capitalisation rate which reflects both the risk and benefits of the Properties as an investment.

Cost Method

This method is essentially premised on the assumption that cost equals to value whereby the value of improvements is added to the value of the land (if any). It is usually used to determine the base value of the property and is generally used for properties that are specialized with few or no market transactions.

APPENDIX VII – SUMMARY VALUATION REPORT



In view of the aforesaid and taking into consideration prevailing market conditions around the date of valuation, we assess the market value of the unexpired leasehold interest in the Properties, with vacant possession and free from all encumbrances, as follows:

Date Of Valuation **1 October 2024**

Market Value **\$91,500,000 (Aggregate)**
(Singapore Dollars Ninety-One Million And Five Hundred Thousand Only)

The ongoing geo-political headwinds and macro-economic uncertainty may have impact on the Singapore economy and the property market. Our opinions and assessments are based on the information provided and prevailing market data as at the date of this valuation report. More frequent reviews on the market value of the property are encouraged as a precaution in view of the current situation.

Yours faithfully,
For and on behalf of
Savills Valuation And Professional Services (S) Pte Ltd

A handwritten signature in black ink, appearing to read "Cynthia Ng", written over a light grey circular stamp.

Cynthia Ng
Licensed Appraiser No. AD041-2003388A
Managing Director

A handwritten signature in black ink, appearing to read "Cynthia Soo", written over a light grey circular stamp.

Cynthia Soo
Licensed Appraiser No. AD041-2006556K
Deputy Managing Director