

**CIRCULAR DATED 13 APRIL 2017**

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

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

If you have sold or transferred all your shares in the capital of **Dyna-Mac Holdings Ltd.** (the “**Company**”) represented by physical share certificate(s), you should forward this Circular with the Notice of Annual General Meeting and the accompanying Proxy Form immediately to the purchaser or transferee or to the stockbroker, bank or agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee. If you have sold or transferred all your shares in the Company held through The Central Depository (Pte) Limited (“**CDP**”), you need not forward this Circular to the purchaser or transferee as arrangements will be made by CDP for a separate Circular to be sent to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the accuracy of any of the statements made, 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 PROPOSED CHANGE OF AUDITORS**

**This Circular is issued to you together with the Annual Report of Dyna-Mac Holdings Ltd. for the financial year ended 31 December 2016. The resolution proposed to be passed in relation to the above matter is set out in the Notice of Annual General Meeting attached to the Annual Report 2016.**

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## DEFINITIONS

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In this Circular, the following definitions shall apply throughout unless the context otherwise requires:

<b>“ACRA”</b>	:	Accounting and Corporate Regulatory Authority of Singapore
<b>“AGM”</b>	:	The annual general meeting of the Company
<b>“Auditors”</b>	:	The auditors of the Company as appointed from time to time
<b>“Board”</b>	:	The board of Directors of the Company as at the date of this Circular
<b>“CDP”</b>	:	The Central Depository (Pte) Limited
<b>“Circular”</b>	:	This circular to Shareholders dated 13 April 2017
<b>“Companies Act”</b>	:	The Companies Act, Chapter 50 of Singapore, as amended, modified or supplemented from time to time
<b>“Company”</b>	:	Dyna-Mac Holdings Ltd.
<b>“Constitution”</b>	:	The constitution of the Company, as amended from time to time
<b>“Directors”</b>	:	The directors of the Company as at the date of this Circular
<b>“EY”</b>	:	Messrs Ernst & Young LLP
<b>“Group”</b>	:	The Company and its subsidiaries
<b>“Listing Manual”</b>	:	The listing manual of the SGX-ST, as may be amended, modified or supplemented from time to time
<b>“Notice of AGM”</b>	:	The notice of AGM dated 13 April 2017
<b>“Proposed Change of Auditors”</b>	:	The proposed change of auditors of the Company from PwC to EY
<b>“PwC”</b>	:	Messrs PricewaterhouseCoopers LLP
<b>“Securities Account”</b>	:	The securities accounts maintained by a Depositor with CDP but does not include a securities sub-account maintained with a Depository Agent
<b>“SFA”</b>	:	Securities and Futures Act (Cap. 289) of Singapore, as amended, modified or supplemented from time to time
<b>“SGX-ST”</b>	:	Singapore Exchange Securities Trading Limited

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## DEFINITIONS

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**“Shareholders”** : Registered holders of Shares in the Register of Members, except that where CDP is the registered holder, the term **“Shareholders”** shall, in relation to such Shares and where the context so admits, mean Depositors who have Shares entered against their names in the Depository Register. Any reference to Shares held by or shareholdings of Shareholders shall include Shares standing to the credit of their respective Securities Accounts

**“Shares”** : Ordinary shares in the capital of the Company

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

The term **“subsidiary”** has the meaning ascribed to it in Section 5 of the Companies Act.

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 and *vice versa*. References to persons shall, where applicable, include corporations.

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

Any reference to a time of day or date in this Circular shall be a reference to Singapore time and date unless otherwise stated.

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

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## LETTER TO SHAREHOLDERS

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### **Dyna-Mac Holdings Ltd.**

(Company Registration No. 200305693E)  
(Incorporated in the Republic of Singapore)

#### **Directors**

Lim Tze Jong (*Executive Chairman and Chief Executive Officer*)  
Varghese John (*Executive Director and Senior Corporate  
and Technical Officer*)  
Lim Tjew Yok (*Executive Director and Chief Operations Officer*)  
Chia Hock Chye Michael (*Non-Executive Director*)  
Tan Soo Kiat (*Lead Independent Director*)  
Dr Ong Seh Hong (*Independent Director*)  
Teo Boon Hwee (*Alternate Director to Lim Tze Jong*)

#### **Registered Office**

59 Gul Road  
Singapore 629354

13 April 2017

#### **TO: THE SHAREHOLDERS OF DYNA-MAC HOLDINGS LTD.**

Dear Sir/Madam

#### **THE PROPOSED CHANGE OF AUDITORS**

##### **1. INTRODUCTION**

The Board refers to (i) the Notice of AGM accompanying the Annual Report 2016 to convene the AGM to be held on 28 April 2017; and (ii) the ordinary resolution to seek Shareholders' approval for the appointment of EY as the Auditors in place of the retiring auditors, PwC, to hold office until the conclusion of the next AGM and to authorise the Directors to fix their remuneration.

The purpose of this Circular is to provide Shareholders with information pertaining to the Proposed Change of Auditors, and to seek Shareholders' approval in respect of the same at the upcoming AGM.

The SGX-ST assumes no responsibility for the accuracy of any of the statements made, opinions expressed or reports contained in this Circular.

##### **2. THE PROPOSED CHANGE OF AUDITORS**

###### **2.1 Background and Rationale**

The Company's current Auditors, PwC, has been the Auditors of the Company for 6 years since 2011. PwC was re-appointed as Auditors at the last AGM held on 22 April 2016 to hold office until the conclusion of the next AGM.

The Board is of the view that in the interest of good corporate governance, it would be appropriate to periodically rotate Auditors. The Board believes that a change of Auditors may enable the Company to benefit from fresh perspectives of another professional audit firm and further enhance the value of the audit. As such, it would be timely to rotate and effect a change of Auditors for the audit of the Company's financial statements for the financial year ending 31 December 2017.

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## LETTER TO SHAREHOLDERS

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The Audit Committee of the Company had met with the representatives of EY. Following an evaluation of the audit firm and its proposal and in consultation with the Audit Committee, the Board has accepted the Audit Committee's recommendation for the appointment of EY, subject to the approval of the Shareholders at the AGM.

### 2.2 Information on EY

EY is registered with ACRA and is one of the world's big four accounting firms and a global leader in assurance, tax, transactions and advisory services. In Singapore, EY has a history of 125 years, with over 120 partners and 2,000 people offering assurance, tax, transaction and advisory services to a wide-ranging clientele base consisting of multinational companies, private companies and public sector organisations, and employs more than 200,000 people globally.

For more information about EY, its values and services, please visit EY's website at: <http://www.ey.com>.

The engagement partner-in-charge from EY will be Mr. Tan Swee Ho. He has 28 years of audit experience and is a Fellow Chartered Accountant of the Institute of Singapore Chartered Public Accountants.

### 2.3 Requirements under Rule 712 of the Listing Manual

The Board, having taken into account the Audit Committee's recommendation, and various factors, including, *inter alia*, the following:

- (a) the adequacy of the resources and experience of EY and the audit engagement partner assigned to the audit;
- (b) EY's other audit engagements;
- (c) the size and complexity of the Group's operations; and
- (d) the number and experience of supervisory and professional staff assigned to the audit of the Company and the Group,

is of the opinion that EY will be able to meet the audit requirements of the Group and that Rule 712 of the Listing Manual has been complied with.

### 2.4 Requirements under Rule 715 of the Listing Manual

Following Shareholders' approval of the Proposed Change of Auditors, EY will become the Auditors of the Company and of such subsidiaries of the Company, in place of PwC. EY will be engaged to conduct an audit on the consolidated financial statements of the Company and the financial statements of its subsidiaries incorporated in Singapore.

Where necessary, the Company will appoint member firms of EY to conduct audit of its subsidiaries incorporated in overseas for the purpose of the consolidation of the financial statements of the Group.

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## LETTER TO SHAREHOLDERS

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### 2.5 Requirements under Rule 1203(5) of the Listing Manual

In accordance with the requirements of Rule 1203(5) of the Listing Manual, the Company confirms that:

- (a) it has received a copy of PwC's professional clearance letter dated 31 March 2017 to EY, confirming that it is not aware of any professional reasons why EY should not accept appointment as the new auditors of the Company;
- (b) there were no disagreements with PwC on accounting treatments within the last 12 months from the date of this Circular;
- (c) it is not aware of any circumstances connected with the Proposed Change of Auditors that should be brought to the attention of the Shareholders which has not been disclosed in this Circular;
- (d) the reasons for the Proposed Change of Auditors are disclosed in paragraph 2.1 of this Circular above; and
- (e) it is in compliance with Rules 712 and 715 of the Listing Manual in relation to the proposed appointment of EY as its new Auditors.

### 3. AUDIT COMMITTEE'S RECOMMENDATION

The Audit Committee has deliberated on and reviewed the Proposed Change of Auditors and after taking into account the suitability and independence of EY to meet the audit requirements of the Company and the various factors set out in paragraph 2.1 of this Circular, recommend the Proposed Change of Auditors.

### 4. DIRECTORS' RECOMMENDATION

The Board, having considered the rationale and benefit of the Proposed Change of Auditors, is of the opinion that the Proposed Change of Auditors is in the best interests of the Company and the Shareholders. Accordingly, the Board recommends that the Shareholders vote in favour of the ordinary resolution No. 5 set out in the Notice of AGM in respect of the Proposed Change of Auditors.

### 5. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the AGM and who wish to appoint a proxy to attend and vote at the AGM on their behalf should complete, sign and return the proxy form attached to the notice of AGM in accordance with the instructions printed thereon as soon as possible and in any event so as to reach the registered office of the Company at 59 Gul Road, Singapore 629354 not less than 48 hours before the time fixed for the AGM. The completion and return of the proxy form by such Shareholder will not prevent him from attending and voting at the AGM in person should he subsequently wish to do so. However, any appointment of a proxy or proxies by such Shareholder shall be deemed to be revoked if the Shareholder attends the AGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy, to the AGM. Only Shareholders whose names are entered on the Register of Members will receive a proxy form with this Circular. A proxy need not be a Shareholder of the Company.

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## LETTER TO SHAREHOLDERS

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A Depositor shall not be regarded as a Shareholder entitled to attend the AGM and to speak and vote thereat unless he is shown to have Shares entered against his name in the Depository Register at least 72 hours before the AGM.

### 6. DIRECTORS' RESPONSIBILITY STATEMENT

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 Proposed Change of Auditors, 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 has been extracted from published or otherwise publicly available sources, or obtained from a named source, 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.

### 7. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents may be inspected by the Shareholders at the registered office of the Company at 59 Gul Road, Singapore 629354 during normal business hours on any weekday (public holidays excepted) from the date of this Circular up to and including the date of the AGM:

- (a) the Constitution of the Company;
- (b) the annual report of the Company for the financial year ended 31 December 2016;
- (c) the letter from PwC dated 3 April 2017 giving notice of their resignation as Auditors;
- (d) the letter of consent from EY dated 3 April 2017; and
- (e) the letter of professional clearance issued by PwC to EY dated 31 March 2017.

Yours faithfully  
for and on behalf of the Board of Directors of  
**Dyna-Mac Holdings Ltd.**

**Lim Tze Jong**  
Executive Chairman and Chief Executive Officer