

**DYNA-MAC HOLDINGS LTD.**

Incorporated in the Republic of Singapore  
Company Registration Number 200305693E

---

**LODGEMENT OF POLICE REPORT IN RELATION TO EX-EMPLOYEE**

---

The Board of Directors (the “**Board**”) of Dyna-Mac Holdings Ltd (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that it has lodged a police report in relation to suspected criminal conduct involving misappropriation of funds amounting to approximately S\$1.0 million by an ex-employee of a Subsidiary (the “**Subsidiary**”) (the “**Misappropriation**”).

Upon the discovery of the Misappropriation, the Board, together with the Audit Committee, had taken immediate steps to (i) review the internal controls of the affected department of the Subsidiary; and (ii) investigate any further incident of misappropriation. Based on the outcome of the investigations conducted, no other incident of misappropriation has been discovered.

At present, the Subsidiary is working with its insurance firm on claiming compensation, while the Board is also concurrently seeking advice on the available courses of action to recover the misappropriated funds. Further announcements will be made by the Company as and when there are material developments in this regard.

If the Group is unable to fully or substantially recover the misappropriated fund, the Board expects that the Misappropriation will have impact on the financial statements and performance of the Subsidiary for the financial year ending 31 December 2016. Notwithstanding, the Board does not expect it to have significant impact on the normal operations of the Group.

BY ORDER OF THE BOARD

Lim Tze Jong  
Executive Chairman and CEO  
18 September 2016