

DYNA-MAC HOLDINGS LTD.

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

RESPONSES TO SGX-ST QUERIES ON THE COMPANY'S ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

The Board of Directors of Dyna-Mac Holdings Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the queries raised by Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 10 April 2023 in relation to the Company’s annual report for the financial year ended 31 December 2022 (the “**2022 Annual Report**”) posted on SGXNet on 3 April 2023.

SGX Query

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

Company’s Response to SGX Query

As disclosed on page 33 of the 2022 Annual Report, under Corporate Governance section headed “Audit Committee”, 2nd column para 2 and para 6, the AC has reviewed the adequacy of the internal audit function, its effectiveness and its resources as well as its independence. In this regard, the AC is of the opinion that the internal audit function is independent, effective and adequately resourced.

On the same page, 2nd column para 4, it was disclosed that “The Group has outsourced its internal audit function to external audit professionals, In.Corp Business Advisory Pte. Ltd. (the “IA” or “In.Corp”) and the engagement director is a Chartered Accountant Singapore, Certified Internal Auditor and a member of The Institute of Singapore Chartered Accountants (ISCA), The Institute of Internal Auditor Singapore (IIA) and The Information Systems Audit and Control Association.”

The IA reports directly to the AC. The IA has an administrative reporting function to Management where the planning, coordinating, managing, and implementing of the internal audit work cycle are concerned. The work undertaken by the IA is carried out in accordance with the standards set by internationally recognised professional bodies, including Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors. The IA will report its audit findings and recommendations directly to the AC. The IA has unfettered access to all the Group’s documents, records, properties, and personnel, including access to the AC. In.Corp is a corporate member of the Institute of Internal Auditors Singapore and a member of PrimeGlobal, a global Association of Advisory and Accounting Firms.

In.Corp’s engagement team is headed by a director with over 15 years of experience in audit and advisory services. She is leading the Risk Assurance practice at In.Corp and has extensive experience in a broad range of assurance and advisory services, including corporate governance, enterprise risk management, internal audit, and sustainability reporting. Prior to In.Corp, she has been involved in internal and external audits and started her career in one of the big four auditing firms. Her qualifications and memberships are as

disclosed in para 2 above. The second engagement team member is a Senior Manager in the risk assurance practice at In.Corp. She has 8 years of experience in the audit profession and has been involved in various internal audits of government ministries, statutory boards, and private sector organisations. She is a Certified Internal Auditor and a member of IIA. The team is accordingly made up of qualified and experienced professionals and adheres to the International Professional Practices Framework issued by the IIA.

Listing Rule 1207(10C) has been complied with.

SGX Query

Listing Rule 710A states that an issuer must describe in its annual report its board diversity policy, including the following:

- (a) the issuer's targets to achieve diversity on its board;
- (b) the issuer's accompanying plans and timelines for achieving the targets;
- (c) the issuer's progress towards achieving the targets within the timelines; and
- (d) a description of how the combination of skills, talents, experience and diversity of its directors serves the needs and plans of the issuer.

Please disclose whether and how Listing Rule 710A has been complied with.

Company's Response to SGX Query

Pursuant to Rule 710A, a description of our Board Diversity Policy has been set out in our Corporate Governance section headed "Diversity" found at pages 24 to 25 of the 2022 Annual Report. This includes:

- (i) the recitation of the salient principle under our Board Diversity Policy which is to maintain a balance of skill, knowledge, experience and diversity of perspective appropriate to our business so as to mitigate against group think;
- (ii) a narration of the targets set under our Board Diversity Policy to achieve diversity on our Board;
- (iii) a diagrammatic tabulation of the core competencies and gender representation found in our Board members which serves to demonstrate the achievement of the criteria and targets set under our Board Diversity Policy; and
- (iv) the view of our NC, having considered the combination of diversity targets under our Board Diversity Policy, and the Board's concurring view that the present size and composition of the Board encompassing different professional experiences, skills, knowledge and gender representation provide the necessary competencies for effective for decision-making given the current nature and scope of our operations.

Further details of our Board's mix of expertise, background and experience are set out in the profile of each of our Board members found at pages 13 to 14 of the 2022 Annual Report. The NC and the Board however recognise that skill-set and core competencies required of the Board may change over time as the business of the Group develops, hence any progress made towards our Board Diversity Policy will be disclosed in our future Corporate Governance Report, as appropriate.

Listing Rule 710A has been complied with.

BY ORDER OF THE BOARD

Lim Ah Cheng
Executive Chairman and Chief Executive Officer
12 April 2023