

**PROPOSED BONUS ISSUE OF ONE (1) WARRANT FOR EVERY FIVE (5) EXISTING SHARES
AT AN EXERCISE PRICE OF S\$0.15 FOR EACH WARRANT INTO A NEW SHARE**

1. INTRODUCTION

The board of directors (“**Board**”) of Dyna-Mac Holdings Ltd. (“**Company**”) would like to announce that the Company is proposing a bonus issue (“**Proposed Bonus Warrants Issue**”) of up to 207,384,840 warrants (“**Bonus Warrants**”), on the basis of one (1) Bonus Warrant for every five (5) existing ordinary shares (each a “**Share**”) in the capital of the Company held by the shareholders of the Company (“**Shareholders**”) as at the record date to be determined by the Board for the purpose of determining the entitlements of the Shareholders (“**Record Date**”).

The issue of the Bonus Warrants will be undertaken pursuant to the general share issue mandate approved by the Shareholders at the annual general meeting of the Company held on 25 April 2023.

Fractional entitlements arising from the Proposed Bonus Warrants Issue will be disregarded and dealt with in such manner as the directors of the Company (“**Directors**”) may in their absolute discretion deem fit for the benefit of the Company.

In view of the exemption accorded under Regulation 24(1) of the Securities and Futures (Offer of Investments) (Shares and Debentures) Regulations 2005, there will not be any prospectus, profile statement or offer information statement to be issued in relation to, and for the purpose of, the issue of the Bonus Warrants to the Shareholders.

2. RATIONALE AND PURPOSE OF THE PROPOSED BONUS WARRANTS ISSUE

The Proposed Bonus Warrants Issue is intended to reward Shareholders for their loyalty and support towards the Company by providing Shareholders with the opportunity to participate in the future growth of the Company. In addition, the Proposed Bonus Warrants Issue is likely to encourage the trading liquidity of the Company’s Shares.

3. PRINCIPAL TERMS OF THE PROPOSED BONUS WARRANTS ISSUE

3.1. Terms of the Bonus Warrants

The Bonus Warrants will be constituted by a deed poll to be executed by the Company for the purpose of constituting the Bonus Warrants (“**Deed Poll**”), which shall set out the terms and conditions of the Bonus Warrants and which may from time to time be amended, modified or supplemented. Each Bonus Warrant will, subject to the terms and conditions in the Deed Poll, entitle the warrant holder to subscribe for one (1) new ordinary share in the capital of the Company (each a “**New Share**”) at the exercise price of S\$0.15 (“**Exercise Price**”). The Exercise Price is at a discount of 46.4% to the last transacted price of S\$0.28 per Share on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 15 December 2023, being the last transacted price immediately preceding the date of this announcement.

The Bonus Warrants are exercisable during the period commencing on and including the date falling six (6) months from the date of listing of the Warrants on the Official List of the Main Board of the SGX-ST and expiring at 5.00 p.m. on the date falling nine (9) months from the date of listing of the Warrants on the Official List of the Main Board of the SGX-ST (“**Exercise**

Period”). Any Bonus Warrant remaining unexercised upon the expiry of the Exercise Period shall lapse and cease to be valid for all purposes.

The Bonus Warrants will be issued in registered form and will be listed and traded on the Main Board of the SGX-ST under the book-entry (scripless) settlement system, upon the listing and quotation of the Bonus Warrants on the Main Board of the SGX-ST, subject to, *inter alia*, there being an adequate spread of holdings of the Bonus Warrants to provide for an orderly market in the Bonus Warrants.

The Exercise Price and the number of Bonus Warrants to be issued pursuant to the Proposed Bonus Warrants Issue will be subject to adjustments under certain conditions in accordance with the terms and conditions of the Deed Poll.

Upon the exercise of the Bonus Warrants during the Exercise Period and payment of the Exercise Price under the terms and conditions as set out in the Deed Poll, the holders of the Bonus Warrants will be issued the New Shares. The New Shares, when issued and allotted, shall rank *pari passu* in all respects with the then existing Shares of the Company and with each other, except that the New Shares will not be entitled to any dividends, rights, allotments or other distributions on the Record Date which falls before the date of completion of the allotment and issue of the New Shares.

The proposed terms and conditions of the Bonus Warrants are subject to such changes as the Directors may, in their absolute discretion, deem fit. The final terms and conditions of the Bonus Warrants will be set out in the Deed Poll.

3.2. Trading of Odd Lots

All fractional entitlements to the Bonus Warrants will be disregarded in arriving at the entitlements of the Entitled Shareholders (as defined below) and will be dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company. Shareholders should note that subject to the requirements of the SGX-ST, the Bonus Warrants are quoted on the Main Board in board lot sizes of 100 warrants or such other board lot size which the SGX-ST may require and as may be notified by the Company. Following the Proposed Bonus Warrants Issue, Shareholders who hold odd lots of the Bonus Warrants (*i.e.* less than 100 Bonus Warrants) and who wish to trade in odd lots on the Main Board should note the setting up of the Unit Share Market of the SGX-ST to allow for trading of odd lots which would be announced or disclosed subsequently.

3.3. Eligibility

The Bonus Warrants to be issued pursuant to the Proposed Bonus Warrants Issue shall be credited and allotted to:

- (a) Shareholders with Shares entered against their names in the depository register maintained by the Central Depository (Pte) Limited (“**CDP**”) as at the Record Date and whose registered addresses with the CDP are in Singapore as at the Record Date or who have, at least three (3) market days prior to the Record Date, provided the CDP with addresses in Singapore for the service of notices and documents; and
- (b) Shareholders with Shares registered in their names in the register of members of the Company as at the Record Date

(the Shareholders referred to in (a) and (b) above collectively, the “**Entitled Shareholders**”).

For practical reasons and in order to avoid any violation of securities laws applicable in countries other than Singapore, the Bonus Warrants will not be offered to Shareholders whose registered addresses are outside Singapore as at the Record Date and who have not, at least three (3) market days prior to the Record Date, provided to CDP or the Company, as the case may be, addresses in Singapore for the service of notices and documents (the “**Foreign Shareholders**”).

If practicable, Bonus Warrants which would otherwise have been allotted to Foreign Shareholders will be sold by the Company at its sole discretion on the Main Board of the SGX-ST. The net proceeds from such sales, after deduction of all expenses, will be pooled and thereafter distributed among Foreign Shareholders in proportion to their respective shareholdings or the number of Shares standing to the credit of their respective Securities Accounts as at the Record Date, as the case may be, and sent to them at their own risk by ordinary post, provided that, where the amount of net proceeds distributable to any single Foreign Shareholder is less than S\$10.00, the Company shall be entitled to retain or deal with such net proceeds as the Directors may, in their absolute discretion, deem fit, and no Foreign Shareholder shall have any claim whatsoever against the Company or CDP in connection therewith. Where such Bonus Warrants are sold on the Main Board of the SGX-ST, they will be sold at such price or prices as the Company may, in its absolute discretion, decide and no Foreign Shareholder shall have any claim whatsoever against the Company or CDP in respect of such sale.

If such Bonus Warrants cannot be or are not sold on the Main Board of the SGX-ST as aforesaid for any reason, the Bonus Warrants shall be dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company or CDP in connection therewith.

3.4. Size of the Proposed Bonus Warrants Issue

Based on the existing share capital of the Company of 1,036,924,200 Shares, up to 207,384,840 Bonus Warrants will be issued by the Company pursuant to the Proposed Bonus Warrants Issue, and assuming that the Bonus Warrants are fully exercised and converted into New Shares, the issued share capital of the Company would increase to 1,244,309,040 Shares.

4. **USE OF PROCEEDS ARISING FROM EXERCISE OF BONUS WARRANTS**

Based on the assumption that the maximum number of Bonus Warrants, being 207,384,840 Bonus Warrants, is issued by the Company and such Bonus Warrants are fully exercised into New Shares, the gross proceeds arising from the exercise of such Bonus Warrants will amount to approximately S\$31.1 million (the "**Bonus Warrants Proceeds**"). The proceeds arising from the exercise of the Bonus Warrants will be used towards capital expenditure for yard development, general corporate and working capital purposes.

Pending the deployment of the Bonus Warrants Proceeds, such Bonus Warrants Proceeds may be deposited with banks and/or financial institutions, invested in short-term money market instruments and/or marketable securities, or used for any other purpose on a short-term basis, as the Directors may, in their absolute discretion, deem fit. The Company will announce the utilisation of the Warrants Proceeds when such proceeds are materially disbursed and provide a status report on the use of such proceeds in the Company's Annual Report.

5. **APPROVALS**

The Proposed Bonus Warrants Issue is subject to the receipt of approval-in-principle from the SGX-ST (and such approval not having been withdrawn or revoked), for the listing and quotation of the Bonus Warrants and the New Shares, on the Main Board of the SGX-ST being obtained.

An application will be made by the Company to the SGX-ST for the approval of the listing and quotation of all the Bonus Warrants and the New Shares on the Main Board and an appropriate announcement on the outcome of the application will be made in due course.

6. RESPONSIBILITY STATEMENT

The Directors of the Company collectively and individually accept full responsibility for the accuracy of the information given in this Announcement and confirm, after making all reasonable enquiries that to the best of their knowledge and belief, that the facts stated and the opinions expressed in this Announcement are fair and accurate in all material respects as at the date hereof, and that there are no material facts the omission of which would make this Announcement misleading in any material respect.

7. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors and substantial shareholder(s) of the Company has any interest, direct or indirect, in the Proposed Bonus Warrants Issue other than through their respective shareholdings in the Company.

BY ORDER OF THE BOARD

Lim Ah Cheng
Executive Chairman and Chief Executive Officer

Date: 18 December 2023