

26 AUGUST 2011

THIS APPENDIX IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

This Appendix is issued by Dyna-Mac Holdings Ltd. (the "Company") and is circulated to Shareholders of the Company together with the Company's Annual Report. Its purpose is to explain to Shareholders the rationale and provide information to Shareholders for the proposed change of auditors to be tabled at the Annual General Meeting to be held on 13 September 2011 at 11.00 a.m. at Pan Pacific Singapore, Ocean 4, Level 2, 7 Raffles Boulevard, Marina Square, Singapore 039595.

The Notice of Annual General Meeting and a Proxy Form are enclosed with the Annual Report.

If you are in any doubt as to the course of action you should take, you should consult your legal, financial, tax or other professional adviser immediately.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the accuracy of any of the statements made, reports contained or opinion expressed in this Appendix.



DYNA-MAC HOLDINGS LTD.

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

**APPENDIX TO THE NOTICE OF ANNUAL GENERAL MEETING
DATED 26 AUGUST 2011**

**IN RELATION TO
THE PROPOSED CHANGE OF AUDITORS**

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DEFINITIONS

In this Appendix, the following definitions apply throughout unless otherwise stated:

“AGM”	:	The Annual General Meeting of the Company to be held on 13 September 2011
“Auditors”	:	The auditors of the Company for the time being
“Board”	:	The board of Directors of the Company as at the date of this Appendix
“Company”	:	Dyna-Mac Holdings Ltd.
“Directors”	:	The person holding office as directors for the time being of the Company
“Group”	:	The Company and its subsidiaries as at the date of this Appendix
“Listing Manual”	:	The listing rules of the SGX-ST as amended, supplemented or modified, from time to time
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Shareholders”	:	Shareholders of the Company as shown in the Register of Members of the Company and the Register maintained by the Central Depository (Pte) Ltd
“Singapore Act”	:	The Companies Act, Cap. 50, of Singapore
“%” or “per cent.”	:	Percentage or per centum

The terms “Depositor” and “Depository Register” shall have the meanings ascribed to them respectively in Section 130A of the Act.

The term “subsidiary” shall have the meaning ascribed to it by Section 5 of the Act.

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

Any reference in this Appendix to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Act or any modification thereof and used in this Appendix shall have the meaning assigned to it under the Act or any such statutory modification thereof, as the case may be.

Any reference to a time of day in this Appendix shall be a reference to Singapore time.

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 Chief Operating Officer)
Lim Tjew Yok (Executive Director and Chief Technical Officer)
Yeo Chien Sheng, Nelson (Non-Executive Director)
Tan Soo Kiat (Lead Independent Director)
Dr Ong Seh Hong (Independent Director)
Teo Boon Hwee (Alternate Director to Lim Tze Jong)
Wong Ngiam Jih (Alternate Director to Yeo Chien Sheng, Nelson)

Registered Office

59 Gul Road
Singapore 629354

26 August 2011

To The Shareholders of Dyna-Mac Holdings Ltd.

Dear Sir/Madam

1. INTRODUCTION

- 1.1 The Directors refer to (a) the Notice of AGM convening the AGM to be held on 13 September 2011; and (b) the Ordinary Resolution 11 set out in the Notice of AGM. The purpose of this Appendix is to explain the reasons for, and to provide Shareholders with information relating to, and to seek Shareholders' approval for the proposed change of auditors of the Company to be tabled at the AGM.
- 1.2 The SGX-ST assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Appendix.

2. THE PROPOSED CHANGE OF AUDITORS

2.1 Rationale for the Proposed Change of Auditors

Messrs Nexia TS Public Accounting Corporation, the retiring auditors, have served as external auditors of the Group since the financial year ended 31 May 2008.

As part of ongoing good corporate governance initiatives, the Board and management are of the view that it would be timely to effect a change of external auditors and would like to propose that Messrs PricewaterhouseCoopers LLP ("PWC") be appointed in place of Messrs Nexia TS Public Accounting Corporation for the financial year ending 31 May 2012.

2.2 Opinion of the Directors and Audit Committee

The Audit Committee has reviewed and deliberated on the proposed change of Auditors and has recommended the same for approval, after taking into consideration the suitability of PWC and the enhancement of the Company's international profile with the appointment of a major international audit firm as its external auditors.

The Directors have taken into account the Audit Committee's recommendation, and considered various factors, including the adequacy of the resources of PWC, their experience and audit engagements, the number and experience of the supervisory and professional staff who will be assigned to the audit of the consolidated financial statements and PWC's proposed audit arrangements for the Group, and are of the opinion that PWC will be able to meet the audit requirements of the Group and that Rule 712(1) of the Listing Manual has been complied with. Accordingly, the Directors recommend the appointment of PWC as the Auditors of the Company in place of Messrs Nexia TS Public Accounting Corporation.

2.3 Confirmation from Outgoing Auditors

In accordance with the requirements of Rule 1203(5) of the Listing Manual, Messrs Nexia TS Public Accounting Corporation has confirmed to PWC that it is not aware of any professional reasons why PWC should not accept appointment as Auditors of the Company.

2.4 Confirmation from the Company

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

- (a) there were no disagreements with Messrs Nexia TS Public Accounting Corporation on accounting treatments within the last 12 months;
- (b) 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 Appendix; and
- (c) the specific reasons for the proposed change of Auditors are as disclosed above.

In this regard, Messrs Nexia TS Public Accounting Corporation have given notice to the Directors of their resignation as the Auditors on 25 July 2011, and PWC have given their consent to be appointed as the Auditors on 18 August 2011, subject to the approval of the Shareholders at the AGM. The resignation of Messrs Nexia TS Public Accounting Corporation and the appointment of PWC will take effect upon obtaining the approval of the Shareholders at the AGM.

The Directors wish to express their appreciation for the past services rendered by Messrs Nexia TS Public Accounting Corporation.

3. DIRECTORS' RECOMMENDATIONS

Having fully considered the rationale and benefit of the proposed change of Auditors, the Directors are of the opinion that the proposed change of Auditors is in the best interests of the Company, and accordingly, recommend that Shareholders vote in favour of the ordinary resolution in respect of the proposed change of Auditors to be proposed at the AGM.

4. STATEMENT OF THE AUDIT COMMITTEE

The Audit Committee has reviewed the proposed change of Auditors and recommended the change of Auditors to PWC, having satisfied itself of the suitability of PWC and ensuring compliance with Rule 712(1) of the Listing Manual.

5. DIRECTORS' RESPONSIBILITY STATEMENT

This Appendix has been approved by all the Directors. The Directors collectively and individually accept responsibility for the accuracy of the information contained in this Appendix and confirm, having made all reasonable enquiries and to the best of their knowledge and belief, the facts stated and opinions expressed in this Appendix are fair and accurate in all material aspects as at the date hereof, and that there are no facts the omission of which would make any statements herein misleading in any material respect.

6. INSPECTION OF DOCUMENTS

The following documents may be inspected at the Registered Office of the Company at 59 Gul Road Singapore 629354, during normal business hours from the date of this Appendix up to the date of the AGM:

- (a) the Memorandum and Articles of Association of the Company;
- (b) Notice of resignation as Auditors from Messrs Nexia TS Public Accounting Corporation dated 25 July 2011;
- (c) Consent to act as Auditors from Messrs PricewaterhouseCoopers LLP dated 18 August 2011; and
- (d) Professional clearance letter issued to Messrs PricewaterhouseCoopers LLP dated 17 August 2011.

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