



新興重型機械有限公司
SIN HENG HEAVY MACHINERY LIMITED

No. 26, Gul Road, Jurong Industrial Estate, Singapore 629346
Tel: (65) 6-861 6111, Fax: (65) 6-863 8616
Website: www.sinheng.com.sg
CO REG. NO: 198101305R
GST REG. NO: M2-0043237-1

(Incorporated in Singapore)
(the “**Company**”)

MINUTES OF ANNUAL GENERAL MEETING

PLACE : In Singapore via electronic means
DATE : Friday, 26 June 2020
TIME : 10.00 a.m.
PRESENT : Please see attendance list.
IN ATTENDANCE : Please see attendance list.
CHAIRMAN : Mr Renny Yeo Ah Kiang

INTRODUCTION

The Chairman welcomed all Shareholders to the annual general meeting of the Company (the “**Meeting**”), and informed the Shareholders that the Meeting was conducted via electronic means, in view of the current COVID-19 measures that have been put in place.

The Chairman proceeded to introduce the members of the Board to those present at the Meeting via live webcast.

The Chairman also informed Shareholders that all questions submitted by 10.00 a.m. on 20 June 2020 had been answered and published on both the Company’s website and on SGXNet on 24 June 2020. The summary of questions and answers is annexed hereto and marked as Appendix A.

QUORUM

After confirming with the Company Secretary that a quorum was present, the Chairman called the Meeting to order at 10.00 a.m..

NOTICE

All pertinent information relating to the proposed resolutions tabled for the Meeting were set out in the notice of Meeting dated 5 June 2020 published on the SGX website and the Company’s corporate website. With the consent of the Meeting, the notice convening the Meeting was taken as read.

CONDUCT OF POLL

In compliance with Rule 730A of the Listing Manual of Singapore Exchange Securities Trading Limited (“**SGX-ST**”), the COVID-19 (temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) (Amendment No. 2)

Order 2020 by the Ministry of Law, Singapore, and the various Guidance on the Conduct of General Meetings during Elevated Safe Distancing Period by the SGX-ST, all resolutions at the Meeting were voted by way of poll and all the resolutions were deemed to have been duly proposed and seconded.

Voting at the Meeting was by proxy only and by appointing the Chairman as proxy to vote on behalf of Shareholders.

All the proxy forms lodged have been checked, counted and verified by the polling agent and scrutineers and found to be in order.

Boardroom Corporate & Advisory Services Pte. Ltd. had been appointed as the polling agent and Complete Corporate Services Pte Ltd had been appointed as the scrutineers for the voting and had tabulated all submitted votes.

ORDINARY BUSINESSES:

1. RESOLUTION 1 - DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS

The first agenda of the Meeting was to receive and adopt the Directors' Statement and Audited Financial Statements of the Company and the Group for the financial year ended 31 December 2019, together with the Auditors' Report thereon.

The Chairman informed the Meeting that Resolution 1 on the Agenda was to put the following motion to the vote:

Resolution 1

"**RESOLVED** that the Directors' Statement and Audited Financial Statements of the Company and the Group for the financial year ended 31 December 2019, together with the Auditors' Report thereon, be received and adopted."

The result of the poll was as follows: -

Total number of shares represented by votes for and against the ordinary resolution	FOR		AGAINST	
	Number of shares	As a percentage of total number of votes for and against the resolution (%)	Number of shares	As a percentage of total number of votes for and against the resolution (%)
68,600,580	68,600,580	100.00	0	0.00

Based on the above result, the Chairman declared Resolution 1 carried.

2. RESOLUTION 2 – RE-ELECTION OF DIRECTOR: MR TAN CHENG KWONG

Mr Tan Cheng Kwong, a Director of the Company retiring pursuant to Regulation 89 of the Constitution of the Company, had consented to continue in the office. The Meeting noted that Mr Tan Cheng Kwong, upon being duly re-elected as a Director of the Company, will remain as the Executive Director and Deputy Chief Executive Officer.

The Chairman informed the Meeting that Resolution 2 on the Agenda was to put the following motion to the vote:

Resolution 2

“**RESOLVED** that Mr Tan Cheng Kwong be re-elected as a Director of the Company.”

The result of the poll was as follows: -

Total number of shares represented by votes for and against the ordinary resolution	FOR		AGAINST	
	Number of shares	As a percentage of total number of votes for and against the resolution (%)	Number of shares	As a percentage of total number of votes for and against the resolution (%)
68,600,580	68,339,360	99.62	261,220	0.38

Based on the above result, the Chairman declared Resolution 2 carried.

3. **RETIREMENT OF MR RENNY YEO AH KIANG AS A DIRECTOR OF THE COMPANY**

The Meeting noted that Mr Renny Yeo Ah Kiang, a Director of the Company retiring pursuant to Regulation 89 of the Constitution of the Company, and would not be seeking re-election. Mr Renny Yeo Ah Kiang’s tenure as a Director of the Company will end at the conclusion of the Meeting.

Co-terminus with Mr Renny Yeo Ah Kiang’s retirement as a Director at the conclusion of the Meeting, his various appointments as an Independent Chairman, the Chairman of the Nominating Committee, a member of the Audit and Risk Committee and Remuneration Committee, will be ceased.

The Board of Directors recorded its appreciation to Mr Renny Yeo Ah Kiang for his valuable contributions to the Company during his tenure as a Director and wished him well in his future endeavours.

4. **RESOLUTION 3 – PAYMENT OF DIRECTORS’ FEES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

The Board had recommended the payment of S\$336,899 as Directors’ fees for the financial year ended 31 December 2019.

The Chairman informed the Meeting that Resolution 3 on the Agenda was to put the following motion to the vote:

Resolution 3

“**RESOLVED** that the payment of Directors’ fees of S\$336,899 for the financial year ended 31 December 2019, be approved.”

The result of the poll was as follows: -

Total number of shares represented by votes for and against the ordinary resolution	FOR		AGAINST	
	Number of shares	As a percentage of total number of votes for and against the resolution (%)	Number of shares	As a percentage of total number of votes for and against the resolution (%)
68,600,580	68,351,160	99.64	249,420	0.36

Based on the above result, the Chairman declared Resolution 3 carried.

5. RESOLUTION 4 – RE-APPOINTMENT OF AUDITORS

The Meeting was informed that Resolution 4 on the Agenda was to re-appoint Auditors and to authorise the Directors to fix their remuneration. The retiring auditors, Messrs Deloitte & Touche LLP, had expressed their willingness to continue as auditors of the Company for the ensuing year.

The Chairman informed the Meeting that Resolution 4 on the Agenda was to put the following motion to the vote:

Resolution 4

“**RESOLVED** that Messrs Deloitte & Touche LLP be hereby re-appointed as Auditors of the Company until the conclusion of the next Annual General Meeting and the Directors be authorised to fix their remuneration.”

The result of the poll was as follows: -

Total number of shares represented by votes for and against the ordinary resolution	FOR		AGAINST	
	Number of shares	As a percentage of total number of votes for and against the resolution (%)	Number of shares	As a percentage of total number of votes for and against the resolution (%)
68,600,580	68,588,780	99.98	11,800	0.02

Based on the above result, the Chairman declared Resolution 4 carried.

6. ANY OTHER BUSINESS

As no notice of any other ordinary business to be transacted at the Meeting had been received, the Meeting proceeded to deal with the special business on the Agenda.

SPECIAL BUSINESS:

7. RESOLUTION 5 - AUTHORITY TO ISSUE SHARES

The Meeting was informed on the purpose and effect of Resolution 5, the full text of the resolution was set out under item 7 in the Notice of the Meeting dated 5 June 2020.

The Chairman informed the Meeting that Resolution 5 on the Agenda was to put the following motion to the vote:

The result of the poll was as follows: -

Total number of shares represented by votes for and against the ordinary resolution	FOR		AGAINST	
	Number of shares	As a percentage of total number of votes for and against the resolution (%)	Number of shares	As a percentage of total number of votes for and against the resolution (%)
68,600,580	63,259,860	92.21	5,340,720	7.79

Based on the above result, the Chairman declared Resolution 5 carried.

For the record, the full text of Resolution 5 under item 7 is reproduced herein:

Resolution 5

“RESOLVED that pursuant to Section 161 of the Companies Act, Chapter 50 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited (**“SGX-ST”**), the Directors of the Company be authorised and empowered to:

- (a) (i) issue shares in the Company (**“Shares”**) whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, **“Instruments”**) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares pursuant to any Instrument made or granted by the Directors of the Company while this Resolution was in force,

(the **“Share Issue Mandate”**)

provided that:

- (1) the aggregate number of Shares (including Shares to be issued in pursuance to the Instruments, made or granted pursuant to this Resolution) and Instruments to be issued pursuant to this Resolution shall not exceed fifty per centum (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares and Instruments to be issued other than on a *pro rata* basis to existing shareholders of the Company shall not exceed twenty per centum (20%) of

the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

- (2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares and Instruments that may be issued under sub-paragraph (1) above, the percentage of issued Shares and Instruments shall be based on the number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:
- (a) new shares arising from the conversion or exercise of the Instruments or any convertible securities;
 - (b) new shares arising from exercising share options or vesting of share awards, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST; and
 - (c) any subsequent bonus issue, consolidation or subdivision of Shares;

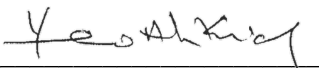
Adjustments in accordance with sub-paragraph (2)(a) or sub-paragraph (2)(b) above are only to be made in respect of new Shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution.

- (3) in exercising the Share Issue Mandate conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company; and
- (4) unless revoked or varied by the Company in a general meeting, the Share Issue Mandate shall continue in force (i) until the conclusion of the next Annual General Meeting ("**AGM**") of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier or (ii) in the case of shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution, until the issuance of such shares in accordance with the terms of the Instruments."

CONCLUSION

As all the matters tabled for the Meeting have been duly completed and there was no other business to transact, the Chairman declared the Meeting closed at 10.15 a.m. and thanked everyone for their attendance at the Meeting.

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RENNY YEO AH KIANG
CHAIRMAN

Appendix A

QUESTIONS RELATING TO COVID-19

Questions:

1. What are the measures undertaken by Sin Heng to deal with the Circuit Breaker and business suspension?
2. Are the Equipment rental customers continuing to pay despite the machines being left idle at the customer sites due to suspension of sites?
3. What is the current business status of the Company?
4. How did Covid-19 restrictions impact your operations in Singapore, Indonesia and Malaysia? How much of your operations have resumed?

Company's Response:

The Covid-19 pandemic has severely impacted the global economy. Like all businesses, we have been and continue to be impacted by Covid-19, in particular to our Singapore and Malaysia operations due to the lockdown periods. As of today, we have obtained the approval from the authority to resume our operation at the Company's premises.

During these periods, the Company has initiated some cost reduction measures. The Company also received support from various government aids, including the Enhanced Job Support Scheme. These measures will help to mitigate some impacts of the COVID-19 to the Company. The management has been actively engaged with our customers and business partners to resolve rental fees charge during the lockdown periods carefully in consideration of the long-term relationship with them. We are also working closely with them on the gradually resumption of various construction project sites.

To ensure financial prudence, we are also mindful when come to capital expenditure to conserve cash. As at 31 December 2019, the Group has a healthy balance sheet with cash and cash equivalents of \$25 million. In the event if the pandemic persists, we are able to tap into our banking facilities to meet our short-term needs.

We are also prioritising the safety and health of our employees by undertake all necessary precautionary safe management measures as advised by the local authorities.

As the current situation is still fluid, we are unable to ascertain, with reasonably accuracy the impact of the Covid-19 on our business moving forward. Nevertheless, we will continue to monitor the situation closely and will adjust our measures accordingly.

QUESTIONS RELATING TO CHANGE OF SUBSTANTIAL SHAREHOLDER

Question 1:

With the disposal of 27.1% stake to United Hope Pte Ltd by Toyota Tsusho Corporation followed by the resignation of the Japanese directors, why isn't Mr. Teo Yi-dar ("**Mr. Teo**") offered directorship and does he offer any plans for Sin Heng?

Company's Response:

Subsequent to the completion of share sales and resignation of the Toyota Tsusho Corporation's representative as director of the Company, the Company has since engaged in various discussion with Mr. Teo. We believe with his extensive experiences and knowledges, Mr. Teo will be able to contribute positively to the Company if he is to offer a directorship of the Company. The Company will continue to comply with its disclosure obligations under the Listing Manual of SGX-ST and will make any announcement if necessary.

Question 2:

There is a substantial changed in management regards to sale of shares. What is the new management see the potential in this company?

Company's Response:

Company do not comment the reasons and rationales of Mr. Teo acquired, and Toyota Tsusho Corporation disposed of the shares of the Company.

Question 3:

What are the changes in strategy following the exit of Toyota as a major shareholder? Do you expect to see a decrease in business from existing Japanese customers? If so, what are you doing to mitigate this?

Company's Response:

With an established track record spanning over 50 years, the Company has successfully established a market presence in the region and build an extensive portfolio of customers from diverse industries. The Group is firmly committed, and will continue to provide the best services to our customers and business partners.

GENERAL QUESTIONS

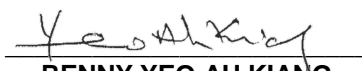
Question 1:

Which are the customer segments in Malaysia that you have seen tighter liquidity conditions? Do these include the construction and oil & gas segments?

Company's Response:

The COVID-19 pandemic and volatility of the oil price has caused much uncertainties to the economy activities in Malaysia. It is anticipated that project work activities in some sectors may be deferred. However, we have observed some improvement as restriction eased, but it is still pre-matured at this stage as COVID-19 continues to evolve.

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RENNY YEO AH KIANG
CHAIRMAN