

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.