



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

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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, 29 April 2022
TIME	:	10:00 a.m.
PRESENT	:	As set out in the attendance records maintained by the Company.
IN ATTENDANCE	:	As set out in the attendance records maintained by the Company.
CHAIRMAN	:	Mr Teo Yi-Dar

QUORUM

As a quorum was present, the Chairman welcomed all Shareholders to the annual general meeting of the Company (the “**Meeting**”) and called the Meeting to order at 10:00 a.m..

“LIVE” AUDIO-VISUAL WEBCAST OR “LIVE” AUDIO-ONLY STREAM

The Chairman indicated that as the Meeting would be conducted by way of electronic means pursuant to the First Schedule of the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, the Company had arranged for a “live” audio-visual webcast and “live” audio-only stream for shareholders to contemporaneously observe the proceedings of this Meeting. Accordingly, the Chairman thanked shareholders who had taken their time to watch or listen the live event of this Meeting.

INTRODUCTION

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

The Chairman also informed the Meeting that the Company Secretary, Auditors, Share Registrar and Polling Agent, and Scrutineer together with their representatives were attending the Meeting remotely via “live” webcast.

NOTICE

The Chairman informed the Meeting that the all pertinent information relating to the proposed resolutions tabled for the Meeting were set out in the Notice of Meeting dated 7 April 2022 and its Appendix, together with the Annual Report for the financial year ended 31 December 2021 and the Important Notice to Shareholders regarding the Meeting (“**Important Notice**”) published on the SGXNet and the Company’s website on 7 April 2022 and had been circulated to shareholders within the statutory period.

With the consent of the Meeting, the notice convening the Meeting was taken as read.

QUESTIONS AND ANSWERS

The Chairman also informed Shareholders that all questions from the Shareholders submitted by 10:00 a.m. on 15 April 2022 and Securities Investors Association (Singapore) (“SIAS”) had been answered and published on the SGXNet and Company’s website on 22 April 2022. The summary of questions and answers is annexed hereto and marked as Appendix A.

CONDUCT OF POLL

In the Notice of the Meeting, the Company had informed shareholders to submit proxy form to appoint the Chairman of the Meeting to cast votes on their behalf. Hence, proxy forms lodged at the registered office of the Company or emailed to the Company had been checked and found to be in order.

In his capacity as the Chairman of the Meeting, he had been appointed as a proxy by a number of shareholders who have directed him to vote on their behalf. Therefore, he would vote in accordance with the wishes of shareholders who have appointed him as proxy.

In compliance with Rule 730A of the Listing Manual of Singapore Exchange Securities Trading Limited (“SGX-ST”), in his capacity as the Chairman of the Meeting, he demanded all the resolutions set out in the Notice of Meeting be voted by way of poll, which was in accordance with Regulation 67 of the Company’s Constitution. Accordingly, all resolutions at the Meeting were voted by way of poll and all the resolutions were deemed to have been duly proposed and seconded.

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 BUSINESSSES:

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 2021, 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 the Audited Financial Statements of the Company and the Group for the financial year ended 31 December 2021, 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	Number of shares	FOR		AGAINST	
		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 (%)	Number of shares
70,732,720	70,732,720	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 GUAN

Mr Tan Cheng Guan, 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 Guan, upon being duly re-elected as a Director of the Company, would remain as the Executive Director of the Company.

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 Guan 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 (%)
70,732,720	70,720,920	99.98	11,800	0.02

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

3. RESOLUTION 3 – RE-ELECTION OF DIRECTOR: MR TAN CHENG KWONG (CHEN QINGUANG)

Mr Tan Cheng Kwong (Chen Qinguang), 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 (Chen Qinguang), upon being duly re-elected as a Director of the Company, would remain as the Executive Director and Deputy Chief Executive Officer of the Company.

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

Resolution 3

“**RESOLVED** that Mr Tan Cheng Kwong (Chen Qinguang) 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 (%)
70,732,720	70,720,920	99.98	11,800	0.02

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

4. **RESOLUTION 4 – RE-ELECTION OF DIRECTOR: MR LIM KENG HOE (LIN QINGHE)**

Mr Lim Keng Hoe (Lin Qinghe) (“**Mr Lim**”), a Director of the Company retiring pursuant to Regulation 96 of the Constitution of the Company, had consented to continue in the office. The Meeting noted that Mr Lim, upon being duly re-elected as a Director of the Company, would remain as an Independent Director, a member of Audit and Risk Committee, Remuneration Committee and Nominating Committee and would be considered independent pursuant to Rule 704(8) of the Listing Manual of the SGX-ST.

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

Resolution 4

“**RESOLVED** that Mr Lim 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	Number of shares	FOR		AGAINST	
		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 (%)	Number of shares
70,732,720	70,732,720	100.00	0	0.00	

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

5. **RESOLUTION 5 – PAYMENT OF PROPOSED FIRST AND FINAL DIVIDEND AND SPECIAL DIVIDEND**

The Board had recommended the payment of a first and final dividend and special dividend tax-exempt (one-tier) for the financial year ended 31 December 2021.

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

Resolution 5

“**RESOLVED** that the payment of first and final dividend of 1.0 Singapore cents and special dividend of 4.0 Singapore cents per ordinary share tax-exempt (one-tier) for the financial year ended 31 December 2021, be approved.”

The results of the poll was as follows: -

Total number of shares represented by votes for and against the ordinary resolution	Number of shares	FOR		AGAINST	
		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 (%)	Number of shares
70,732,720	70,732,720	100	0	0.00	

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

6. **RESOLUTION 6 – PAYMENT OF DIRECTORS’ FEES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

The Board had recommended the payment of S\$178,817 as Directors’ fees for the financial year ended 31 December 2021.

The Chairman informed the Meeting that Resolution 6 on the agenda was to put the following motion to the vote:

Resolution 6

“**RESOLVED** that the payment of Directors’ Fees of S\$178,817 for the financial year ended 31 December 2021, 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 (%)
70,720,920	70,720,920	100.00	0	0.00

Based on the above result, the Chairman declared Resolution 6 carried.

7. **RESOLUTION 7 – RE-APPOINTMENT OF AUDITORS**

The Meeting was informed that Resolution 7 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 accept re-appointment for the ensuing year.

The Chairman informed the Meeting that Resolution 7 on the agenda was to put the following motion to the vote:

Resolution 7

“**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 (%)
67,869,420	67,857,620	99.98	11,800	0.02

Based on the above result, the Chairman declared Resolution 7 carried.

8. **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 BUSINESSES:

9. **RESOLUTION 8 - AUTHORITY TO ISSUE SHARES**

The Meeting was informed on the purpose and effect of Resolution 8, the full text of the resolution was set out under item 7 in the Notice of the Meeting dated 7 April 2022.

The Chairman informed the Meeting that Resolution 8 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 (%)
67,869,420	64,646,820	95.25	3,222,600	4.75

Based on the above result, the Chairman declared Resolution 8 carried.

For the record, the full text of Resolution 8 under item 7 is reproduced herein:

Resolution 8

“RESOLVED that pursuant to Section 161 of the Companies Act 1967 and Rule 806 of the Listing Manual of the 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 pursuant 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 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.”

10. **RESOLUTION 9 – SHARES BUY BACK MANDATE**

The Meeting was informed on the purpose and effect of Resolution 9, the full text of the resolution was set out under item 8 in the Notice of the Meeting dated 7 April 2022.

The Chairman informed the Meeting that Resolution 9 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 (%)
7,193,720	7,193,720	100.00	0	0.00

Based on the above result, the Chairman declared Resolution 9 carried.

For the record, the full text of Resolution 9 under item 8 is reproduced herein:

Resolution 9

“RESOLVED that for the purpose of the Companies Act 1967, the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire the issued the Shares (excluding treasury shares and subsidiary holdings) not exceeding in aggregate the Prescribed Limit (as hereafter defined), at such price or price(s) as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereinafter defined), whether by way of:

- (i) on-market purchase, transacted on the SGX-ST through the ready market on the SGX-ST trading system or through one or more duly licensed stockbrokers appointed by the Company for such purpose (**“On-Market Share Buy-Back”**); and/or
 - (ii) off-market purchase pursuant to an equal access scheme in accordance with Section 76C of the Companies Act 1967 (**“Off-Market Share Buy-Back”**),
(the **“Share Buy-Back Mandate”**);
- (b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Buy-Back Mandate may be exercised by the Directors of the Company at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earlier of:
- (i) the conclusion of the next AGM of the Company or the date by which such AGM is required by law to be held;
 - (ii) the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Buy-Back Mandate are carried out to the full extent mandated; or
 - (iii) the date on which the authority conferred by the proposed Share Buy-Back Mandate is revoked or varied by ordinary resolution of the Company in a general meeting;
- (c) in this Resolution:

“Average Closing Price” means the average of the closing market prices of the Shares over the last consecutive five (5) Market Days, on which transactions in the Shares were recorded on the SGX-ST, immediately before the date of the On-Market Share Buy-Back or, as the case may be, the date of the making of the offer pursuant to the Off-Market Share Buy-Back, and deemed to be adjusted, in accordance with the listing rules of the SGX-ST, for any corporate action that occurs during the relevant five (5) day period and the date of the making of the offer pursuant to the Off-Market Share Buy-Back; and

“date of the making of the offer” means the day on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from Shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Share Buy-Back;

“Maximum Price” in relation to a Share to be purchased or acquired, means the purchase price (excluding related brokerage, commission, stamp duties, applicable goods and services tax, clearance fees and other related expenses) which shall not exceed:

- (i) in the case of an On-Market Share Buy-Back, 105% of the Average Closing Price of the Shares; and
- (ii) in the case of an Off-Market Share Buy-Back, 120% of the Average Closing Price of the Shares; and

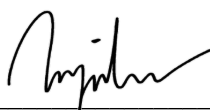
“Prescribed Limit” means that number of issued Shares representing 10% of the total number of issued Shares as at the date of the passing of this Resolution (excluding treasury shares and subsidiary holdings as at that date); and

- (d) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may in their/his absolute discretion consider expedient or necessary to give effect to the transactions contemplated and/or authorized by the Share Buy-Back Mandate and/or this Resolution.

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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TEO YI-DAR
CHAIRMAN

Appendix A

Business Strategy

Question 1

What notable developments can shareholders expect from Sin Heng in the coming year(s)?

Response 1

As announced on 18 Oct 2021, Sin Heng has accepted a letter of offer from JTC Corporation to renew the current lease for the property at 26 Gul Road, Singapore 629346 for a further term of 20 years from October 2025. The Group will take this opportunity to further improve operational effectiveness through investing in new building structures and machineries at the property.

The Group will notify shareholders via announcements on SGXNet on other significant developments (if any).

Questions 2

- (a) Describe Sin Heng's financial performance over the past few years. What strategies have you put in place to maintain or accelerate the growth trajectory?
- (b) There are research analysts who are optimistic of the building materials sector in Singapore as a result of reopening of the economy as well as the anticipated pipelines of projects from HDB, infrastructure, commercial, industrial and oil & gas sector. Do you think Sin Heng will also be a beneficiary as well?

Response 2

The business environment for the past few years has been highly competitive. Sin Heng's performance was negatively impacted in FY2018 and FY2019, but we have gradually recovered and recorded a profit after tax of S\$3.8 million in the current year. This is a cumulative result of our cost cutting initiatives, improvements to operational efficiency and prudent management of working capital to increase financial performance. We have also maintained a healthy cash position to overcome the challenges presented by the COVID-19 pandemic.

As mentioned in the Message to Shareholders (Annual Report 2021, page 9), Sin Heng is heavily invested in the civil construction sector in Singapore and we strongly support the LTA's vision for a reliable, people-centered land transport system. Our equipment is present at various MRT project and expressway construction sites, and we hope to continue our involvement in building Singapore's future.

Questions 3

- (a) What are the factors that are critical to Sin Heng's success against competition? What differentiates Sin Heng from competition?
- (b) What is Sin Heng's value proposition to its shareholders and potential investors? What do you think investors may have overlooked about Sin Heng's business?

Response 3

At Sin Heng, we are firmly committed to providing our customers with the best lifting services and quality construction equipment available. We have an established track record with technical expertise accumulated over more than five decades. In addition, we maintain our competitiveness by providing excellent, safe and timely services to our customers. We have anchored ourselves as a top service provider in Singapore and the region, and we are also the authorised distributor for various renowned crane manufacturers.

We also understand that such values may not always be reflected in the financial performance of the Group as financial performance is also dependent on the macroeconomic and various other external factors. Despite that, Sin Heng will continue to maintain a strong balance sheet, so that we can continue develop our business in a financially sustainable manner.

Questions 4

- (a) Do you see less competition in the cranes market, compared to pre-Covid times?
- (b) Can management help shareholders better understand the structural changes in the industry as the construction sector slowly emerges from two years of disruption caused by the COVID-19 pandemic? Is the current level of activities/revenue the new normal for the group?
- (c) Can management help shareholders understand if it has actively managed down its PPE by selling off the excess PPE as inventories? How quickly can the group scale up, should there be any strong rebound in demand in the future?

Response 4

Sin Heng remains hopeful that as the global economy recovers from the COVID-19 pandemic and slowly return to normal, demand for our lifting equipment will also increase and translate into better results for the Group. However, as the market remains cautious in committing to significant amounts of capital expenditure, such increase in demand, if any, is likely to be gradual and we are confident that we are able to react timely to such changes in the market.

The Group has been constantly streamlining and updating our rental equipment fleet by divesting our older or less utilized equipment and replacing with models, which command better demand to maintain a relatively high utilization rate.

Question 5

What is the sentiment on the ground in the group's trading segment? What are the profiles of the main customers in the trading segment in the past two years?

Response 5

As described above in Response 4, the recovering market remains cautious in committing to significant amounts of capital expenditure. However, the Group is hopeful that demand will gradually pick-up as the economy rebounds and recovers. Our customers generally are from the infrastructure and geotechnics, construction, oil and gas, and offshore and marine sectors.

Question 6

With Brent crude prices crossing US\$100 per barrel, how will this affect the group's oil and gas customers and therefore demand for the group's cranes and lifting equipment? Have the group received more enquiries from these customers?

Response 6

The Group has yet to observe any significant increase in enquiries from the oil and gas customers, as the higher oil prices are only a recent trend, and may have yet to translate into increased demand.

Financial and Operations**Questions 7**

- (a) What are the utilization rates of cranes and scissor lifts as at 31 Dec 2021?
- (b) Any improvements of the rates of cranes (with and without operators) and scissor lifts for the last 12 months in FY21?

Response 7

The utilization rates and rental rates of equipment have always been a main focus of the Group's operations. The utilization rates of these equipment are relatively high and we expect the utilization to maintain at such levels in the current financial year. However, we regret that we are unable to share such information as they are commercially sensitive.

Question 8

In relation to the decrease in trade receivables as at 31 Dec 2021 in comparison with the figures a year ago, what are the reasons for the significant decrease? Has management been more prudent in granting credit and more focused on collection?

Response 8

As mentioned in Response 2, the Group has been focusing on improving our management of working capital in a prudent manner, and the lower trade receivables is reflective of our efforts in this area.

Corporate Governance

Questions 9

In relation to the appointment of Mr Lim Keng Hoe,

- (a) Can the nominating committee (NC) elaborate further on the search and nomination process for directors, especially independent directors? How was Mr Lim Keng Hoe (Lin Qinghe) identified by the NC?
- (b) In addition, can the board/NC elaborate further on the rationale and selection criteria?
- (c) On page 23, the board has stated that it is in the process of establishing the board diversity policy. Would the NC help shareholders understand what has caused the delay given that the Code of corporate governance 2018 was introduced over 3 years ago and came into effect on 1 January 2021? When will the board diversity policy be finalised?

Response 9

The Nominating Committee (“**NC**”) has reviewed and assessed the qualification, experience and suitability of Mr Lim Keng Hoe (Lin Qinghe) (“**Mr Lim**”). Mr Lim is an experienced enterprise leader with more than 25 years of experience in general & operational management, sales & business development as well as corporate strategy and policies formulation. Based on the experiences and knowledge of Mr Lim, the NC was satisfied and considered that the Board would benefit from the services of Mr Lim as the new Director of the Company, and recommended his appointment as an Independent Director of the Company to the Board for approval.

NC is responsible for identifying and recommending potential candidates for appointment as directors to the Board, after considering the necessary and desirable competencies. The search for any suitable candidate will be through the contacts and networks of existing Directors, recommendation or recruiting agent. The NC can also approach relevant institutions such as the SID, or business federations to source for a suitable candidate. Mr Lim was nominated after a search exercise, whereby several potential candidates were identified and interviewed.

As disclosed in the Annual Report FY2021, the NC will review and making recommendations to the Board on all candidates nominated for appointment to the Board and on re-nomination of Directors, taking into account the composition and progressive renewal of the Board and each Director’s competencies, commitment, prior contribution and performance.

In the past 3 years, although the Company does not have board diversity policy and the Board comprises Directors who as a whole, have core competencies and diversity of experiences to enable them to lead and control the Group effectively. Such competencies and experiences including but not limited to appropriate balance and mix of skills, knowledge, gender, age, accounting, finance, industry knowledge, strategic planning, business judgement and general management. The NC and the Board would review the size and the composition of the Board on an annual basis.

On 15 December 2021, Singapore Exchange announced that the key changes effective 1 January 2022, which including the issuers to set a board diversity policy that addresses gender, skill and experience, and other relevant aspects of diversity. Issuers must also describe the board diversity policy and details such as diversity targets, plans, timelines and progress in their annual reports.

As disclosed in the Annual Report FY2021, the Company is the progress of establishing the board diversity policy and will be finalising the diversity policy by this financial year.

Others

Question 10

Would there be any impact to Sin Heng's businesses and operations associated with Russia's invasion of Ukraine?

Response 10

There is no direct impact to Sin Heng as we do not have any Russian and Ukrainian customers or suppliers. However, the tensions may cause potential disruptions to the global supply chain in the future.

Question 11

How much has the group invested in Myanmar? Is the Myanmar unit self-sustaining in terms of cash flow? When will management make the decision on the Myanmar business?

Response 11

The political scene in Myanmar remains in flux, and the Group is closely monitoring the market conditions to make an informed decision in regards to the future. The Myanmar entity has been self-sustaining and has not required additional funds from the Company.

Question 12

Are the investments in financial assets at fair value through profit or loss in line with the group's long-term objectives? What are the underlying investments and who is overseeing the group's investments? Are these speculative in nature?

Response 12

The Group's investments are monitored by management. The investment in short-term notes offers the Group and Company a higher return of interest income, while the investment in quoted equity securities offers the Group and Company the opportunity for return through dividend income and fair value gains, and there have not been any new acquisitions of quoted equity securities in FY2021.

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TEO YI-DAR
CHAIRMAN