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RESPONSES TO QUESTIONS FROM SHAREHOLDERS IN RELATION TO THE ANNUAL GENERAL MEETING AND EXTRAORDINARY GENERAL MEETING

The Board of Directors (the "**Board**") of Sin Heng Heavy Machinery Limited (the "**Company**") refers to the announcements dated 14 April 2026 in relation to the Annual General Meeting (the "**AGM**") and Extraordinary General Meeting (the "**EGM**") to be held on 29 April 2026 (the "**Announcements**").

Further to the Announcements, the Board and Management had received questions from shareholders ("**Questions**"). The Company and the Board wish to provide their responses to substantial and relevant Questions as set out in **Appendix A** and **Appendix B** respectively.

The Company would like to thank all shareholders for questions submitted in advance.

BY ORDER OF THE BOARD

Tan Ah Lye
Executive Director and Chief Executive Officer
23 April 2026

Appendix A – AGM Questions Received from Shareholders

Question 1

Noted that the profit attributable to shareholders for FY2025 is $5.1 million, translating to earnings per share of 4.7 cents. By proposing a final dividend of 1.0 cents per share followed by a special dividend of 4.0 cents per share (total 5.0 cents per share), adding in the interim dividend of 5.0 cents per share, the total dividend for FY2025 amounted to 10.0 cents per share. Can the Board of Directors advise on the sustainability of this payout and whether this is sustainable for FY2026? Would the Board enlighten shareholders whether there is a dividend policy and how Sin Heng can prioritise disciplined cash management and cost control while exploring new growth opportunities that align with its long-term strategic objectives.

Response 1

The higher payout for FY2025 was supported by the Group's healthy cash position and reflects the Board's intention to reward shareholders, including the distribution of excess cash that is not immediately required for operational or capital expenditure needs.

The future dividends will depend on several factors, including the Group's future earnings performance, operating cash flows, capital commitments, and overall financial position. As such, the level of dividend declared in FY2025 should not be taken as indicative of future payouts.

Currently, the Company does not have a formal dividend policy. Nonetheless, the Board remains committed to maintaining a prudent balance between rewarding shareholders and retaining sufficient resources to support the Group's long-term growth strategy.

Question 2

With Group revenue and profitability decreasing steadily from FY2023, does the Board have any strategies for the Crane Distribution business going forward?

Response 2

The Board recognises that the Crane Distribution segment has experienced a decline in revenue and profitability since FY2023, due to strong competition from other crane manufacturers in the regional markets in which the Group operates. The Group continues to work closely with its crane manufacturing partner to explore new products to mitigate the impact.

Question 3

Treasury Shares - As stated in Note 24 of the Annual Report, the Group has 6,139,000 Treasury Shares. What does the Board intend to do with the Treasury Shares? If there are no plans, would the Board consider cancelling the shares to reduce the total number of shares?

Response 3

The treasury shares may be utilised for various purposes, including potential resale in the market or deployment in corporate exercises, where deemed appropriate.

The Board will also consider the option of cancelling the treasury shares as a means to enhance shareholder value, taking into account factors such as the Company's capital structure, share price performance, and overall financial position.

Appendix B – EGM Questions Received from Shareholders

Question 1

Upon shareholder approval of including the Property Business and Hospitality Business into the Group's business, what are the immediate purchases. Would it be the two properties in Johor? Going forward, would diversification into this area impact the payout for dividends as cash might be utilised for purchase of investment properties?

Response 1

These two properties form part of the Group's diversification strategy. The Group has obtained the necessary foreign ownership consent from the Johor State Government, and both transactions are currently in the final stages of completion.

With regard to dividends, please refer to Question 1 raised for the AGM.

Question 2

Is the management of the proposed property and hospitality business by the existing executive directors? Does the Board already have candidates in mind to appoint to professionally manage this business segment?

Response 2

At this initial stage, the proposed property and hospitality business will be overseen by the existing Executive Directors and management, leveraging their experience in managing the Group's operations and investments.

The Group intends to adopt a gradual approach by starting with the acquisition of a limited number of properties, primarily for rental income generation, allowing the Group to build familiarity and operational experience in this sector.

As the business scales or where specialised expertise is required, the Board will consider engaging external professionals or appointing experienced personnel with relevant industry expertise to support and manage this business segment effectively. *Please refer to the 2.3 Management of the New Businesses in the Circular.*