

CIRCULAR DATED 14 APRIL 2026

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt about this Circular, or as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

If you have sold or transferred all your shares in the capital of the Company, you should immediately send this Circular, the Notice of EGM and the Proxy Form to the purchaser or transferee or to the bank, stockbroker or agent through whom you effected the sale or transfer, for onward transmission to the purchaser or transferee.

This Circular was prepared by the Company with assistance from RHTLaw Asia LLP, which was appointed as the legal adviser to the Company for the preparation of this Circular. RHTLaw Asia LLP has not independently verified the contents of this Circular.

The Singapore Exchange Securities Trading Limited takes no responsibility for the accuracy of any statements or opinions made or reports contained in this Circular.

Please refer to Section 10 of this Circular and the Notice of Extraordinary General Meeting for further information including the steps to be taken by Shareholders to participate in the EGM. The Notice of Extraordinary General Meeting may also be accessed at the URL www.sinheng.com.sg.



SIN HENG HEAVY MACHINERY LIMITED

(Incorporated in the Republic of Singapore on 30 March 1981)
(Company Registration Number: 198101305R)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

THE PROPOSED DIVERSIFICATION OF THE GROUP'S BUSINESS TO INCLUDE THE NEW BUSINESSES

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form	:	26 April 2026 at 10:15 a.m.
Date and time of Extraordinary General Meeting	:	29 April 2026 at 10:15 a.m. (or such time immediately following the conclusion or adjournment of the AGM of the Company to be held at 10:00 a.m. on the same day and at the same place)
Place of Extraordinary General Meeting	:	The EGM will be held at Raffles Marina, No.10, Tuas West Drive, Singapore 638404

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DEFINITIONS

The following definitions apply throughout in this Circular except where the context otherwise requires:-

<i>“Board”</i>	The board of Directors of the Company as at the date of this Circular
<i>“CDP” or “Depository”</i>	The Central Depository (Pte) Limited
<i>“Circular”</i>	This circular dated 14 April 2026
<i>“Company”</i>	Sin Heng Heavy Machinery Limited
<i>“Companies Act” or “Act”</i>	The Companies Act 1967 of Singapore, as amended or modified from time to time
<i>“Constitution”</i>	The constitution (formerly known as the memorandum and articles of association) of the Company as at the date of this Circular
<i>“Current Core Business”</i>	The Group’s existing core business consists of those of hiring and dealing in cranes and heavy machinery and provision of facilities and custody services
<i>“Directors”</i>	The directors of the Company as at the date of this Circular or at any or the relevant time as the case may be
<i>“EGM” or “Extraordinary General Meeting”</i>	The extraordinary general meeting of the Company to be convened and held at Raffles Marina, No.10, Tuas West Drive, Singapore 638404 on 29 April 2026 at 10:15 a.m.
<i>“Group”</i>	The Company and its subsidiaries
<i>“Hospitality Business”</i>	The business of owning, leasing, operating and managing hotels, franchising of hotel brands and related business activities. For details of the activities under the Hospitality Business, please refer to Section 2.2.2 of this Circular
<i>“Latest Practicable Date”</i>	18 March 2026 being the latest practicable date prior to the printing of this Circular for ascertaining information included herein
<i>“Listing Manual”</i>	The rules of the listing manual of the SGX-ST, which apply to entities listed on the SGX-ST Main Board, as amended, modified or supplemented from time to time
<i>“New Businesses”</i>	The Property Business and the Hospitality Business
<i>“Ordinary Resolution”</i>	The ordinary resolution in relation to the Proposed Diversification as set out in the Notice of EGM

DEFINITIONS

<i>“Proxy Form”</i>	The proxy form in respect of the EGM as set out in this Circular
<i>“Property Business”</i>	Includes the business of property holding, development, management and other related property activities in the residential, commercial and industrial sectors. For details of the activities under the Property Business, please refer to Section 2.2.1 of this Circular
<i>“Proposed Diversification”</i>	The proposed diversification of the Group’s business to include the New Businesses as additional core businesses of the Group
<i>“Securities Account”</i>	Securities accounts maintained by a Depositor with CDP, but not including a securities sub-account and/or securities accounts maintained with a Depository Agent
<i>“SFA”</i>	Securities and Futures Act 2001 of Singapore, as may be amended, modified or supplemented from time to time
<i>“SGX Main Board”</i>	The Main Board of the SGX-ST
<i>“SGX-ST” or “Exchange”</i>	Singapore Exchange Securities Trading Limited
<i>“Shareholders”</i>	Registered holders of the Shares, except that where the registered holder is CDP, the term “Shareholders” shall, where the context admits, mean the Depositors whose Securities Accounts are credited with the Shares
<i>“Substantial Shareholders”</i>	Shareholders who holds directly or indirectly 5% or more of the total number of voting Shares (excluding treasury shares) in the capital of the Company
<i>“Shares”</i>	Ordinary share(s) in the capital of the Company
<i>“Subsidiary” or “Subsidiaries”</i>	Has the meaning ascribed to it under Section 5 of the Act
<i>“Territories”</i>	The countries in which the Group has business operations, which may be expanded or reduced from time to time. As at the Latest Practicable Date, such countries comprise Singapore, Malaysia and Indonesia

Currencies, Units of Measurements and Others

<i>“S\$” and “cents”</i>	Singapore dollar and cents, respectively
<i>“%”</i>	Per centum and percentage

DEFINITIONS

The terms “**Depositor**” and “**Depository Register**” shall have the meanings ascribed to them respectively in the SFA.

The terms “**subsidiary**” and “**treasury shares**” shall have the meanings ascribed to them respectively in the Companies 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. References to persons shall, where applicable, include corporations.

Any reference in this Circular to an enactment is a reference to that enactment as for the time being amended or re-enacted.

Any word defined under the Companies Act or any statutory modification thereof and used in this Circular shall, where applicable, have the same meaning assigned to it under the Companies Act or such modification, as the case may be, unless the context otherwise requires.

Any reference in this Circular to a time of day and date shall be a reference to Singapore time and date respectively, unless otherwise stated.

References to “**paragraph**” are to the paragraphs of this Circular, unless otherwise stated.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any discrepancies in figures included in this Circular between the amounts listed and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures that precede them.

LETTER TO SHAREHOLDERS

SIN HENG HEAVY MACHINERY LIMITED

(Incorporated in the Republic of Singapore on 30 March 1981)
(Company Registration Number: 198101305R)

LETTER TO SHAREHOLDERS

Directors:

Leong Wing Kong (Independent Chairman)
Tan Ah Lye (Executive Director & Chief Executive Officer)
Tan Cheng Kwong (Executive Director and Deputy Chief Executive Officer)
Tan Cheng Guan (Executive Director)
Lim Keng Hoe (Independent Director)
Rai Satish (Independent Director)

Registered Office:

26 Gul Road
Singapore 629346

To: The Shareholders of Sin Heng Heavy Machinery Limited

Date : 14 April 2026

Dear Sir/Madam

PROPOSED DIVERSIFICATION OF THE GROUP'S BUSINESS TO INCLUDE THE NEW BUSINESSES

1. INTRODUCTION

The Board of Directors is convening an EGM to be held on 29 April 2026 to seek Shareholders' approval in respect of the Proposed Diversification as more particularly set out in Sections 2 to 4 of this Circular.

The purpose of this Circular is to provide Shareholders with relevant information pertaining to the above-mentioned proposal to be tabled at the EGM and to seek Shareholders' approval for the resolution relating to the same. The notice of the EGM is set out on pages N-1 to N-4 of this Circular.

The SGX-ST takes no responsibility for the accuracy of any statement or opinions made in this Circular.

2. THE PROPOSED DIVERSIFICATION

2.1 Background information

At present, the Group's core business consists of hiring and dealing in cranes and heavy machinery and provision of facilities and custody services. The Group has built an extensive and resilient network across key markets in ASEAN and Asia, which has been the primary contributor to its revenue and success over the years.

On 5 November 2024, the Company announced that it had entered into an option to purchase ("**Option to Purchase**") the property located at 21 Ghim Moh Road, #01-213, Singapore 270021 ("**Property**") for a consideration of S\$2,775,000. The Property is purchased for investment purposes. As the relative figure computed for Rule 1006(c) exceeded 5.0% but did not exceed 20.0%, the proposed acquisition was classified as a "disclosable transaction" under Rule 1010 of the Listing Manual of the SGX-ST. On 1 April

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2025, the Company announced that it has incorporated a wholly-owned subsidiary SH Growth Investment Pte. Ltd. on 7 November 2024 for the purpose of the acquisition and it has exercised the Option to Purchase. On 27 June 2025, the Company announced that it has completed the acquisition.

In addition, the Group had also been granted an option to purchase for 2 properties located in Johor on 18 December 2025. The Group has entered into the sale and purchase agreement on 4 February 2026. No announcement was made as the relative figures computed under Rule 1006 fall below 5% threshold.

2.2 Information regarding the New Businesses

Recognising the need to adapt to evolving market conditions and to ensure long-term sustainable growth, the Group is proposing to diversify its business to include the Property Business and the Hospitality Business (the “**New Businesses**”). Upon the approval of Shareholders for the proposed diversification into the New Businesses, the Company intends to diversify the Group’s Current Core Business to include the New Businesses, as and when appropriate opportunities arise.

The initial geographic focus of the New Businesses will be in Singapore, Malaysia and Indonesia, being the markets where the Group already has a presence. As the Group’s business expands, there will be opportunities to venture into other countries in ASEAN and Asia with attractive property investment climates.

The following are the business scope of each of the New Businesses.

2.2.1 *Property Business*

Property Business comprises of the following:

- (a) **Property Investment:** The Group aims to acquire and hold strategic investments in residential, commercial and industrial properties. The primary objective will be to generate capital growth through long-term appreciation while also benefiting from rental income streams. The Group’s strategic focus will be on high-potential markets and prime locations to maximise value creation.
- (b) **Property Development:** In line with this strategy, the Group will also engage in property development activities. This includes acquiring, developing, and selling various property types – ranging from residential projects to commercial and industrial developments. These efforts will be designed to capture value from market cycles and capitalise on demand trends in both established and emerging markets.
- (c) **Property Management:** To complement its investment and development activities, the Group intends to manage its property-related assets, offering a range of services such as property leasing, facilities management, and value-added services (e.g., serviced apartments and car park management). This vertical integration will enable the Group to enhance the operational efficiency of its property portfolio and create recurring revenue streams.

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In accordance with the SGX-ST's recommended practice in relation to diversification of business, as the Company has not to-date operated substantively in the Property Business space and is not able at this time to provide more specific information on the intended or actual operations, transactions, and/or investments that it will be carrying out in relation to the New Businesses, where the Company enters into the first Major Transaction (as defined under Section 5 of this Circular) involving the Property Business, or where any of the figures computed based on Rule 1006 of the Listing Manual in respect of several transactions involving (a) the Property Business aggregated, or (b) the New Businesses aggregated, over the course of a 12-month period exceeds twenty per cent (20%), such first Major Transaction or the last of the aggregated transactions will be made conditional upon shareholders' approval at a general meeting of the Company to be convened then.

Paragraph 2.3 of Practice Note 10.1 of the Listing Manual states that an acquisition can be regarded to be in, or in connection with, the ordinary course of an issuer's business, if:

- (a) the asset to be acquired is part of the issuer's existing principal business; and
- (b) the acquisition does not change the issuer's risk profile

2.2.2 ***Hospitality Business***

The Group proposes to undertake the business of owning, leasing, operating and managing of hotels and related business activities. The Group plans to build a portfolio of hotels which it owns or has interests in, and leases, operates and manages its portfolio of hospitality assets. Key services will include hotel operations management, customer experience enhancement, event and banquet management, food and beverage services and hospitality-specific amenities such as spa and wellness centers. The building up of this portfolio could be effected by the acquisition or leasing of properties for building or developing, and operating new hotels, the acquisition of existing hotels, renovating them, and re-branding them under brand names that the Group owns, or managing existing hotels under brand names that the Group owns. Where opportunities arise, the Group will consider the acquisition or leasing of new properties to build new hotels, upgrading and expanding existing hotels, developing new properties and redeveloping existing properties as hotels. When the Group has built up a portfolio of hotels, it may, where opportunities arise, consider the sale of some of its hotels whilst retaining the right to manage such hotels. The Group will also seek to explore, formulate and implement various brand building initiatives.

The Group could undertake the Hospitality Business either independently, through in-house management or by partnering with reputable hotel/hostel operators or in joint venture or collaboration with third parties with the ability to contribute successfully to the joint venture or collaboration. This approach will provide the Group with direct control over service quality and enable it to build strong brand loyalty while ensuring operational efficiency and profitability. The decision on whether a project should be undertaken by the Group independently or in collaboration with reputable hotel/hostel operators or third parties will be made by the Board taking into account factors such as the nature and scale of the project, the amount of investment required and risks associated with such investment, the

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nature of the expertise required, the period of time that is required to complete the project, the prevailing market conditions, whether it has the necessary financing and technical expertise for the project, the timing of the project, the revenue which the project may generate, and the standing and contribution of its business partner, if any. The Group intends to embark on the Hospitality Business in Malaysia and Indonesia and in future, to other countries in ASEAN and Asia. The Hospitality Business will become a new segment of the Group's business.

In accordance with the SGX-ST's recommended practice in relation to diversification of business, as the Company has not to-date operated substantively in the Hospitality Business space and is not able at this time to provide more specific information on the intended or actual operations, transactions, and/or investments that it will be carrying out in relation to the New Businesses, where the Company enters into the first Major Transaction (as defined under Section 5 of this Circular) involving the Hospitality Business, or where any of the figures computed based on Rule 1006 of the Listing Manual in respect of several transactions involving (a) the Hospitality Business aggregated, or (b) the New Businesses aggregated, over the course of a 12-month period exceeds twenty per cent (20%), such first Major Transaction or the last of the aggregated transactions will be made conditional upon shareholders' approval at a general meeting of the Company to be convened then.

Paragraph 2.3 of Practice Note 10.1 of the Listing Manual states that an acquisition can be regarded to be in, or in connection with, the ordinary course of an issuer's business, if:

- (a) the asset to be acquired is part of the issuer's existing principal business; and
- (b) the acquisition does not change the issuer's risk profile.

2.3 Management of the New Businesses

- (a) The Group recognises that the New Businesses are different from its Current Core Business. However, the Group believes that the necessary experience and expertise can be acquired and is confident of developing and building up the expertise required and a track record for the New Businesses over time. The Group also notes that the relevant experience and expertise required can be strengthened, acquired and developed over time as the Group progresses in the New Businesses. The Board, which regularly reviews the Company's risk exposure across all businesses, will also periodically review and assess the risks exposure associated with the New Businesses to ensure that there are adequate guidelines and procedures in place to monitor its operations. As disclosed on Section 2.1, the Group had acquired an investment property in Singapore in 2025.
- (b) The Group will closely monitor the developments and progress of the New Businesses and continuously assess the manpower and expertise required. When necessary, the Group will strengthen the management and execution team of the New Businesses with additional candidates with the credentials and experience relevant to the New Businesses, including employing individuals with experience in the New Businesses. The Group will also continually evaluate the manpower and expertise required for the New Businesses and will, as and when required, engage suitably qualified external personnel, external consultants, industry experts, and professionals to manage and

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advance the New Businesses. In making decisions, the Board and senior management will seek the advice of these reputable external consultants and experts where necessary and appropriate. Where necessary, work may be outsourced to these third parties who have expertise in the relevant area(s).

- (c) While the Board of Directors and senior management do not currently have direct operating experience in the specific industries of the New Businesses, they collectively possess extensive experience in corporate governance, strategic planning, financial oversight and risk management. Initially, the New Businesses will be managed by the Board of Directors, with support from the Group's senior management. The Group intends to hire qualified personnel with suitable expertise and experience to support the growth of the New Businesses. As the business grows, the Group plans to strengthen the management and operational team by bringing in additional candidates with relevant experience and qualifications. The Group's management team may also, where appropriate, seek the advice of external consultants and industry experts when making decisions in respect of the New Businesses. The Board will also receive updates from the management on the performance of the New Businesses and where necessary or appropriate, direct the appointment of in-house or external consultants or professional advisers to assist the management in the New Businesses.
- (d) The Board and Senior Management will provide oversight and governance of the New Businesses. The New Businesses are expected to be structured such that the initial operations are limited in scope and complexity. Save for Investment Property under the Property Business which has minimal day-to-day management, the day-to-day operational activities of the New Businesses will be supported by appropriate reporting structures, operational frameworks, internal control measures and standard operating procedures to ensure that the operations of the New Businesses are conducted in an orderly, efficient and compliant manner. The Board and Senior Management will be designing the reporting structures, operational frameworks, internal controls, SOP etc, with the help of external consultants, where necessary. Where required, external service providers will be engaged to support certain specific functions such as compliance, technical or industry operational specific. As the New Businesses develop and operational requirements increase, the Group will assess and, where appropriate, appoint suitably qualified personnel and/or external consultants with relevant expertise. The Board will continue to monitor the progress and performance of the New Businesses and will ensure that adequate resources, expertise and controls are deployed in a timely manner. This phased approach allows the Group to maintain operational efficiency and effective control while managing costs and execution risks at the early stage of the New Businesses.
- (e) The Group may explore acquisition opportunities within the New Businesses to gain an immediate foothold in the New Businesses. The Group may also enter into joint ventures, strategic alliances and/or foster partnerships with third parties in related industries to assist it in undertaking the New Businesses and enhance the execution of its New Business more effectively and efficiently. These collaborations may be project-specific case-by-case basis or form part of a longer-term strategy. Where necessary, work may be contracted or sub-contracted to third parties who have expertise in the relevant areas in relation to the projects concerned. In selecting its partners, the Group will consider the necessary expertise, competencies, track record, and financial standing of the potential partners.

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- (f) Before undertaking any major project in the New Businesses, and where relevant, the management of the Group will prepare feasibility studies containing funding needs, growth potential and projected returns of the project concerned to decide on the nature and extent of the Group's investment in such project. The Board will discuss, deliberate, understand and decide on the nature and extent of the Group's undertaking in such arrangement or contract, including any risk mitigation steps as may be required.

2.4 Funding for the New Businesses/Capital allocation and funding strategy

The Group's entry into the New Businesses will be funded primarily through internal resources. In the event that additional capital is required, the Group may explore options such as external bank borrowings and/or other fund-raising activities arranged with other financial institutions and/or individuals. As and when necessary and deemed appropriate, the Group may explore secondary fund-raising exercises by tapping into capital markets, including undertaking rights issues, share placements and/or the issuance of debt instruments, subject to market conditions and the Group's financial position. The Management will adopt a disciplined approach to capital allocation to ensure that the Group maintains a strong balance sheet while optimising the mix of internal and external funding sources to support its new ventures, if appropriate.

As at the Latest Practicable Date, the Group has completed the acquisition of the property located at 21 Ghim Moh Road, #01-213, Singapore 270021, and the Group had also been granted an option to purchase for 2 properties in Johor on 18 December 2025 and entered into the sale and purchase agreement on 4 February 2026 as stated at Section 2.1. Save for these, the Group has not entered into any other agreement or made any commitments to a specific target to undertake the New Businesses as a Major Transaction (as defined in Section 5), and does not have an estimation on the amount of funding required.

2.5 Financial reporting

The New Businesses will be accounted for as a new business segment in the Group's financial statements in line with the Singapore Financial Reporting Standards (International) and accordingly, the Group will disclose the financial results of the New Businesses with the Group's financial statements. The financial results of the New Businesses together with the Group's financial statements will be periodically announced pursuant to the requirement as set out in Chapter 7 of the Listing Manual. In these periodic announcements, the Group may provide segmented financial results relating to the New Businesses where appropriate or if required under any applicable accounting standards.

2.6 Internal Controls and Risk Management of the New Businesses

The Directors recognise the importance of internal controls and risk management for the smooth running of the New Businesses. The external and internal risks presented by the New Businesses to the Group will be managed under the existing system of internal controls and risk management of the Group. To address the risks presented by the Proposed Diversification, the members of the Audit and Risk Committee will be tasked with the responsibility of overseeing the risk management activities of the Company in relation to the New Businesses following the Proposed Diversification. The Audit and Risk Committee will be required to approve appropriate risk management procedures and measurement methodologies, and be involved in identifying and managing the various business risks for the New Businesses. The Audit and Risk Committee will:

- (a) endeavour to ensure that the relevant risk management and internal control systems implemented commensurate with the risk and business profile, nature, size and

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complexity of operations and business activities of the New Businesses, protect the integrity of the Group's financial and accounting information, promote accountability and prevent fraud;

- (b) review with the management and external and internal auditors on the adequacy and effectiveness of the Group's internal control procedures addressing financial, operational, compliance, informational technology and risk management systems relating to each of the New Businesses; and
- (c) commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls, or infringement of any law, rule or regulation, which has or is likely to have a material impact on the Group's operating results and/or financial position.

The Board and the Audit and Risk Committee will adopt internal policies before tabling proposals for any new projects or investments under the New Businesses. In addition, the Board and the Audit and Risk Committee (which is required to review the risk exposure of the New Businesses of the Company at regular intervals) will review the risk exposure of the New Businesses at intervals of not less than half-yearly.

Before undertaking any investment or transaction in relation to the New Businesses, the management will prepare a proposal containing a cost-benefit analysis, credentials of the management of the New Businesses, joint venture partners or co-investors (if any) and will, if necessary, seek the advice of qualified external consultants and experts. The Board will also assess and consider whether the Group has sufficient financial resources to invest in the project and the gearing ratios and liquidity of the Group as a result of such a project. Further, the Board will assess whether the management team has the relevant experience and expertise to manage such a project and, if not, whether any lack of such experience can be supplemented by professional advisors. In evaluating any new projects or investments based on the aforementioned factors, the Board is guided by the overarching consideration of whether the project will be able to generate revenue for the Group and optimise returns to Shareholders. Investments and/or transactions above an internally-determined threshold will be subject to specific approval by the Board.

Before undertaking any investment activity or transaction in a new jurisdiction for any new project or investment under the New Businesses, the Group will also conduct market research and analysis, and carry out the necessary due diligence, where applicable. As and where necessary, the Group will apply for or ensure that it possesses the requisite licenses and/or permits required in relation to any project or investment under the New Businesses prior to making any significant investments.

Where necessary, the Group will also mitigate interest rate risks by adopting various hedging strategies.

3. RATIONALE FOR THE PROPOSED DIVERSIFICATION

The Board of Directors and senior management considered opportunities across other industries as part of the strategic review before concluding to diversify into the New Businesses. The decision to diversify into the New Businesses was made following an assessment of the Company's existing resources, strategic objectives, and risk profile, and the Board considered the New Businesses to be the most suitable and focused

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diversification opportunity at this stage. The Management views the Proposed Diversification as a timely and strategic decision, driven by the following considerations:

(a) **Reducing Reliance on the Current Core Business:**

While the cranes and heavy machinery trading/rental market remains a core pillar of the Group's success, the competitive pressures and uncertainties in the sector have prompted the Management to seek diversification. The Proposed Diversification is expected to provide the Group with a more diversified business and income base for future growth. By entering the New Businesses, the Group can reduce its reliance on a single industry, thereby safeguarding against cyclical downturns and broadening its sources of revenue. The Property Business is expected to generate stable, recurring income through rental and management services, along with opportunities for capital gains from property sales.

(b) **Expanding Revenue Streams and Enhancing Profitability:**

Diversification into the hospitality and property sectors is expected to provide the Group with new opportunities for revenue growth and provide additional and recurrent revenue streams for the Group, which would enhance the Group's business performance and shareholder's value. Such additional and recurrent revenue streams arising from the Proposed Diversification may include, amongst others, capital gains and recurring dividend income from its investments as well as fee income. The management believes that the New Businesses, particularly in key regions where the Group operates, offer promising opportunities for long-term profitability. The Proposed Diversification is in line with the Group's objective to increase shareholder value by improving its profit base, diversifying risks, and ensuring sustained financial growth and long-term prospects of profitability.

(c) **Creating Long-Term Value for Shareholders:**

The Proposed Diversification is consistent with the Group's commitment to delivering long-term value to its shareholders. By tapping into the New Businesses, the Group will be positioned to leverage its strong financial standing and operational expertise to identify and capitalise on attractive property investment and development opportunities. This move will not only diversify the Group's earnings but also strengthen its business resilience, especially in light of the evolving global economic landscape.

(d) **Strengthening the Group's Competitive Position:**

In recent years, the global economic environment has presented both challenges and opportunities for businesses across various industries. The Board further considers that there are complementary synergies between the Property Business and the Hospitality Business. The Property Business focuses on the acquisition, development and management of property assets, while the Hospitality Business leverages these assets through hotel and serviced accommodation operations. Synergies of the New Businesses are expected to arise from the integrated use of property assets, including (i) enhanced asset utilisation through hospitality operations, (ii) optimisation of rental and operating income streams, and (iii) improved asset value through active hospitality management. The Group's ability to adapt to changing market dynamics and identify new growth areas will position it for success in an increasingly interconnected and competitive business environment.

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(e) **Operational Flexibility and Strategic Agility:**

Subject to shareholder approval of the Proposed Diversification, the Group will gain greater flexibility to pursue transactions related to the New Businesses in the ordinary course of business without the need for separate shareholder approval for each individual transaction. This operational flexibility will allow the Group to respond quickly to market opportunities and make timely decisions, reducing the administrative burden and enhancing overall efficiency. The ability to act swiftly on property acquisitions, investments, and developments will be a key competitive advantage as the Group enters the new sector.

4. RISK FACTORS RELATING TO THE NEW BUSINESSES

Having explained the Board's rationale for the Proposed Diversification, the Board acknowledges that there may be risks for the entry into the New Businesses. This Section sets out the risk factors which, to the best of the Directors' knowledge and belief, are material to Shareholders in making an informed judgment on the Proposed Diversification. The Proposed Diversification involves a number of risks, including the risks associated with the Property Business industry, risks associated with the Hospitality Business industry, risks associated with the entry into new businesses, general competition, risks from conducting business in countries in which the Group may operate which may generally arise from, *inter alia*, economic, business, market, political, liquidity, operational, legal and regulatory factors. These risks could materially change the risk profile of the Company and the Group.

Any of the risks described below or additional risks and uncertainties not presently known to the Company or the Group or that the Company or the Group currently deem immaterial may subsequently also impair the Company's or the Group's business, financial condition, operations and prospects. The risks and uncertainties described below are not intended to be exhaustive and are not the only risks and uncertainties that the Group may face.

Shareholders should carefully consider and evaluate the following risks factors and all other information contained in this Circular before deciding on how to cast their votes at the EGM. The risks set out below are the material risks which the Group faces following the Proposed Diversification. If any of the following considerations, risks or uncertainties develops into actual events, the business, financial condition, results of operations, cash flow and prospects of the Group may be materially and adversely affected.

Shareholders should consider the risk factors in light of your own investment objectives and financial circumstances and should seek professional advice from you accountant, stock brokers, bank managers, financial advisors, solicitors or other professional advisors if you have any doubt about the actions you should take.

4.1 Risks associated with the Property Business

4.1.1 ***The Group is subject to various government regulations in the Property Business and the Property Business may be adversely affected by the Group's ability to obtain, maintain or renew regulatory approvals, permits or licences***

The property industry in the Territories in which the Group is operating and may choose to operate in are subject to various laws and regulations. Licences, permits, certificates, consents or regulatory approvals including the policies and

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procedures established by local authorities designed for the implementation of such laws and regulations may be required for, among other things, to engage in the management of property and/or construction projects.

In the event that the Group is unable to obtain, maintain or renew such approvals and/or licences, or where there are delays in procuring the necessary relevant approvals, licenses or certificates from government bodies, changes in laws, regulations and policies in relation to property development or renewing them, the Group's ability to undertake or engage in the relevant segment of the Property Business may be adversely affected.

In addition, the property industry is regulated by a multitude of laws and regulations. The Group must also comply with the applicable laws and regulations in the Property Business, for example, in relation to workplace health and safety, environmental public health and environmental pollution control, failing which the Group may be subject to penalties, have its licences or approvals revoked, or lose its right to manage properties all of which may have a material and adverse impact on the Group's business, prospects, operations and financial performance. Furthermore, any changes in applicable laws and regulations could result in higher compliance costs and adversely affect the operations and financial performance of the Group.

Any contravention of such aforementioned laws, regulations, requirements or restrictions may subject the Group, its employees and/or its directors to statutory penalties which may be significant, such as fines imposed by the relevant authorities, or the Group may have to modify, suspend or discontinue its operations. Hence, any conviction for such contravention may have a material adverse effect on the Group's business, financial conditions, results of operations and prospects.

Furthermore, changes to relevant laws and regulations could result in higher compliance costs and may also adversely affect the operations of the Group and result in the Group making losses. The Group may also not be able to anticipate any changes to the laws, regulations, requirements or restrictions in the countries in which the Group may expand into for its Property Business. In the event that there are unexpected changes to any applicable laws, regulations, requirements or restrictions that renders the Group unable to comply, this will have an adverse effect on the operations and future plans of the Group under the Property Business.

4.1.2 ***The Group may face intense competition from existing competitors and new market entrants in the Property Business***

The Property Business is highly competitive, with strong competition from established industry participants who may have larger financial resources or stronger track records. The Group may not be able to provide comparable services at lower prices or respond more quickly to market trends than potential or existing competitors who may have larger financial resources and stronger track records. In the event that the Group is unable to be competitive, the Group financial position and performance may be adversely affected.

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4.1.3 ***Fluctuations in property prices and the Group's ability to identify suitable property development projects may have an adverse impact on the Property Business and the Group's financial conditions***

The Group's performance in the Property Business is dependent on its ability to identify properties or construction projects that it may manage profitably, and following such identification, to perform its property and construction project management services successfully. The viability and profitability of each property or construction project that the Group manages are subject to fluctuations and are dependent on, *inter alia*, the demand for the Group's management services, the pricing and number of properties and construction projects and the overall schedules of the Group's projects which are in turn, to a large extent, affected by the market sentiment, market competition, general economic and property market conditions, as well as government regulations.

4.1.4 ***The Group is subject to risks of late payment or non-payment by its clients***

The Group faces uncertainties over the timeliness of clients' payments and their solvency or creditworthiness in respect of purchases of the Group's property and construction project management services. There is no assurance that the Group will be able to collect any payments due on a timely basis, or at all. In the event that there are defaulting clients or a significant delay in collecting payments due from clients, the Group may face stress on its cash flow and a material increase in bad and doubtful debts, which may have an adverse impact on the Group's financial performance.

4.1.5 ***The Group may face potential liability and claims from property development and property enhancement works projects***

The time required for completing a property development or property enhancement project depends on various factors, including the size of the project, prevailing market conditions and availability of resources. Delays may arise due to various factors, including adverse weather conditions, natural calamities, power failure, machinery and equipment breakdown, shortage of construction materials, shortage of labour, accidents, cessation of business of the Group's contractors, disputes with contractors and unexpected delay in obtaining required approvals. Such delays may result in cost overruns and increased financing costs and accordingly affect the Group's profitability or lead to claims for liquidated damages from purchasers of the properties or clients for property enhancement works projects. Accidents during the course of construction may give rise to personal injuries and third party liability.

In addition, the Group may be involved from time to time in disputes with various parties such as contractors, construction companies, consultants and other partners for various reasons, including differences in the interpretation of acceptable quality standards of workmanship, material used, adherence to contract specifications and costs of variation orders. These disputes may lead to legal and/or other proceedings. If the Group is unable to manage such risks, the Group's business and financial position may be affected if any compensation or damages is payable by the Group.

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4.1.6 ***The Group may be exposed to risk of loss and potential liabilities that may not be covered by insurance***

While the Group will, where appropriate, obtain insurance policies to cover losses with respect to the properties and construction projects it manages, the insurance obtained may not be sufficient to cover all potential losses. Examples of such potential losses include losses arising out of extraordinary events such as natural disasters like earthquakes or floods. Losses arising out of damage to the Group's properties not covered by insurance policies in excess of the amount it is insured would affect the Group's profitability.

The Group may also have to commit additional resources, other than to meet the uninsured losses, to complete a project, which may also adversely affect the financial performance of the Group.

4.1.7 ***The Group is subject to changes in economic situation and the property industry for the Property Business***

The performance of the Property Business depends largely on the economic situation and the performance of the property industry and there is no assurance that the property sectors of countries in which the Group undertakes the Property Business will continue to grow. Should the economy or the property market experience a downturn, whether globally or in any country in which the Group undertakes the Property Business, the performance of these segments may be adversely affected. In addition, as the gestation period for a property development project is long, typically between two to three years, any downturn in the economy or the property market, during the course of a development project may affect the profitability of such development project, thereby adversely affecting the Group's financial performance. Changes in government regulations in any country in which the Group undertakes the Property Business may also result in the Group being unable to complete any property development project that it manages. This may adversely affect the financial position and/or performance of the Group.

Changes in the business environment in jurisdictions in which the Group operates may include fluctuations in demand for properties, delays in construction schedules due to poor weather conditions, labour disputes, and fluctuation in costs of construction materials and other costs of development. Such delays may result in the Group incurring additional costs, thus affecting the profitability of the Group.

4.1.8 ***The obligations of the Group in relation to the properties and construction projects it manages are dependent on the services rendered by contractors***

The Group may rely on main contractors and sub-contractors to provide various services in the course of its management of properties and construction projects, including building construction works, piling and foundation works, structural works, architectural works and engineering works,. The services rendered by the Group's contractors may not be satisfactory to the property owner or meet the property owner's requirements for quality. Furthermore, the contractors engaged may experience financial or other difficulties that may affect their ability to carry out the work for which they are contracted to complete, thus delaying the completion of, or failing to complete, the projects and resulting in additional costs or exposures to the risk of liquidated damages to the Group. In the event of any

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loss or damage which arises from the default of such contractors, the Group may have to incur losses to rectify such defects, materially and adversely affecting the Group's financial performance and financial position.

4.1.9 ***The Property Business may be adversely affected by any shortage in the supply of workers or increases in the costs of hiring workers***

The management of properties and construction projects is highly labour intensive and is therefore vulnerable to any shortage in the supply of, or increases in the costs of workers. Such changes in the supply of workers may result from changes in government policies. In the event of any disruption to the supply of workers, or if the costs cannot be controlled, the overall costs of the Group's Property Business may increase and the Group's financial performance may be materially and adversely affected.

4.1.10 ***The Group may be subject to risks in relation to pre-sale policies for properties under development***

The practice of pre-sales (that is, selling properties under construction prior to the receipt of construction completion and examination certificate) is adopted in the property industry of many countries, including Singapore. Should the Shareholders approve the Proposed Diversification, in line with the relevant industry practice, the Group may pre-sell most of the properties developed under the Property Business prior to completion. There are certain risks relating to the pre-sale of properties. In the event of a failure or delay in the delivery of pre-sold properties to purchasers, the Group may be liable for potential losses that purchasers may suffer as a result. There is no guarantee that these losses will not exceed the purchase price paid in respect of the pre-sold units. Failure to complete a property development on time may be attributed to factors such as time taken and costs involved in completing construction, which are in turn adversely affected by factors such as delays in fitting out works, shortages of labour, adverse weather conditions or natural disasters. If the delay in delivery extends beyond the contractually specified period, the purchasers may also be entitled to terminate the pre-sale agreements and claim refunds of monies paid, damages and/or compensation for late delivery. There is no assurance that there will be no circumstances which will result in liabilities arising from pre-sale arrangements which have experienced significant delays in completion or delivery, resulting in the Group having to compensate purchasers for late delivery, or refund of monies paid in situations where purchasers have terminated the sale and purchase agreements. This will adversely affect the Group's business and financial performance.

4.1.11 ***The Group may not be able to generate adequate returns on its properties held for long-term investment purposes***

Property investment is subject to varying degrees of risks. The investment returns available from real estate investments depend primarily on the amount of capital appreciation generated and income earned from the rental of the relevant properties and expenses incurred. The revenue derived from the disposal of such investment properties will depend on market conditions and levels of liquidity, which may be subject to significant fluctuations and therefore test the holding power of the Group.

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The revenue derived from the rental of the relevant properties may be adversely affected by a number of factors, including but not limited to changes in market rates for comparable rentals, the inability to secure renewal of tenancies from tenants, the inability to collect rent due to bankruptcy or insolvency of tenants and the cost from ongoing maintenance, repair and re-letting. In the event that the Group acquires properties for investment and if the Group is unable to generate adequate returns for such investment properties that it acquires, its financial condition and results of operations may be adversely affected.

Furthermore, invested properties are relatively illiquid, and the Group may be unable to convert real estate asset portfolio into cash on short notice. To facilitate a sale of illiquid property assets on short notice under harsh market conditions, the Group may not be able to sell off the assets at a favourable price and have to lower the selling price substantially. Illiquidity of property assets also limits the Group's ability to vary its portfolio in response to changes in economic or other conditions in a timely manner. In the event of any adverse change in market conditions or in the event of sales at unfavourable prices or a need to lower the prices of properties to effect the sale of properties, the Group may not be able to sell its property projects or property investments at above its costs, resulting in the Group suffering losses on the project or property and adversely affecting the Group's financial position.

4.1.12 ***The Group is subject to risks inherent in investing in entities which it does not control and the manner in which it holds its investments and property interests***

The Company may hold property investments through or make investments in entities that are not the Company's subsidiaries and over which the Company does not have majority control. The performance of these entities and the Company's share of their results are subject to the same or similar risks relating to the Property Business described herein that affect the Company. There is no assurance that the Company will be able to influence management, operation and performance of these entities through its voting rights in a manner which would be favourable to the Company, or at all. If all or any of these entities were to perform poorly, the Company's overall business, financial condition, results of operations and prospects may be adversely affected.

4.1.13 ***The Group's performance may be adversely affected by poor consumer demand or a loss or downturn of tenants***

The Group's performance will be largely dependent on its ability to secure tenants for its available properties for lease – especially key and regular tenants. There is no assurance that all of any of the Group's tenants, especially its key and regular tenants, will renew or continue to renew their lease agreements with the Group, or that the new or renewed lease terms will be as favourable to the Group as the existing lease.

Any bankruptcy, insolvency, or downturn in the business of the Group's tenants, including their decision not to renew any lease or terminate lease before it expires, will therefore adversely affect the Property Business. The renewal of the Group's lease agreement with its tenants will also depend on its ability to negotiate lease terms acceptable to all parties involved.

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In the event that any tenant does not renew its lease, the Group will need to find a replacement tenant or tenants, which could subject the Group to periods of vacancy and/or refitting for which the Group would not receive rental income, which in turn could adversely affect its rental income. In addition, there is no assurance that any substitute leases would be on terms that are as favourable as the existing leases.

4.1.14 ***The Group may be exposed to a range of economic risks relating to the Property Business in the countries in which the Group may operate.***

The performance of the Property Business depends largely on the economic situation in Singapore, Malaysia and Indonesia (where the Group currently has businesses in) and where the Group intends to commence the Property Business, and markets which the Group proposes to enter into (including other markets in ASEAN and Asia). There is no assurance that the Property Business sector in Singapore, Malaysia, Indonesia, ASEAN and Asia or such other geographical markets will continue to grow. This may adversely affect the demand for the Group's products and services. Changes in inflation, interest rates, taxation or other regulatory, economic or adverse developments in the supply, demand and prices of resources in such countries, may have an adverse effect on the Property Business. This may also materially and adversely affect the business, financial condition, results of operations and prospects of the Property Business.

4.1.15 ***The Group may be susceptible to fluctuations in foreign exchange rates***

With its head office in Singapore, the business of the Group is denominated in Singapore Dollars, while branch offices operate in Malaysian Ringgit, Indonesian Rupiah, Japanese Yen and United States Dollars. In addition, the Group may choose to expand or operate substantially in countries other than the countries listed above, resulting in a significant portion of the Group's revenue and expenses arising from operating the Property Business to be denominated in the foreign currencies of the respective countries in which will be involved. Therefore, the Group may be exposed to adverse fluctuations in the currency exchange rates for these few countries and such other foreign currencies which may be affected by various factors, including international political and economic conditions. Further the countries in which the Property Business may choose to expand or operate in may face significant budget deficits, limited foreign currency reserves, volatile exchange rates and less sophisticated banking sectors.

4.1.16 ***The Group may face difficulties in remitting capital, profits and dividends out of the countries it may operate the Property Business in***

The Group may establish foreign entities to provide services under the Property business outside of Singapore and in Asia. The Group's foreign entities which may be engaged in the Property Business may experience difficulty in remitting capital, profits and dividends out of its countries of operation, as such remittances may be subject to scrutiny and specific approval of the government or regulatory authorities in such countries, or may be subject to foreign exchange policies and conditions prevailing.

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4.1.17 ***The Property Business is heavily dependent on the Group's reputation***

The Property Business relies to a large extent on reputation and market perception. The Group will be operating in industries where the Group's integrity (and the perception thereof) as well as the trust and confidence of the clients are of critical importance. Negative publicity (whether justified or otherwise) associated with the Group or any of its officers or employees may adversely impact the Group's reputation and result in a loss of clients. Accordingly, any perception of, or alleged mismanagement, fraud or failure to discharge legal, contractual, regulatory or fiduciary duties, responsibilities, liabilities, or obligations may have an adverse effect on the Group's growth prospects, business operations and financial performance.

4.1.18 ***The Group may be subject to exposure to litigation***

The Property Business will be subject to multiple legal and regulatory environments, especially should the Group wish to expand operations to more countries. Any litigation brought against the Group by its clients or otherwise in the future in relation to the Property Business could have a material adverse effect on the Group's reputation, business, growth prospects, income, operations and/or financial performance.

Depending on the regulatory requirements, the Group may be required or elect to purchase professional indemnity insurance to mitigate litigation risks that the Group may face in relation to the Property Business. However, the maximum coverage offered by such professional indemnity insurance might not be sufficient to cover losses and/or damages caused by any liabilities asserted against and expenses incurred in connection by persons in connection with the Group's business activities in the Property Business. Additionally, such professional indemnity insurance may not cover said persons if the said person has acted in bad faith, or engaged in fraud or wilful misconduct.

4.1.19 ***The Group has no prior experience in the Property Business, and faces integration risks***

Presently, the Group has no significant prior experience in the Property Business. The Group would thus be required to devote time and management attention to setting up the Property Business, including but not limited to applying for the requisite registrations and/or licenses, hiring skilled professionals and employees, providing the necessary training, know-how, business support, creating new incentive structures for management and staff, establishing the operating infrastructure and internal controls, brand development and establishing clientele.

Nevertheless, there can be no assurance that the Group will be successful in the Property Business, or that such measures will result in the seamless integration of the Property Business into the Group's existing operations. Delays in integration and unforeseen or unresolved issues may divert management's attention and resources, delay the commencement or prevent revenue growth in the Property Business, which may materially and adversely affect the operations and/or financial position of the Group.

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4.1.20 ***The Group may not be successful in applying for the requisite registration and/or licences***

The Property Business may be subject to regulation by the respective governments and/or authorities in those industries. There can be no assurance that the Group will be successful in applying for and obtaining the requisite registrations and/or licenses, or that the Group will be able to maintain and/or renew these licences. Failure to obtain and/or renew licenses when necessary may delay the commencement of, or prevent revenue growth in the Property Business, which may materially and adversely affect the operations and/or financial position of the Group.

4.1.21 ***The Group may be subject to risks in relation to interest rate movements***

Risks arising from interest rate movements, particularly as a result of the debts that may be undertaken to finance the Property Business or any acquisitions, joint ventures or strategic alliances in relation thereto, may affect the Property Business. Changes in interest rates will affect the Group's interest income and interest expense from short term deposits and other interest-bearing financial assets and liabilities which could have a material and adverse effect on the profitability of the Group. An increase in interest rates would also adversely affect the Group's ability to service loans and its ability to raise and service long term debts.

4.1.22 ***The Group may not be able to find partners to work with for future collaborations, joint ventures or strategic alliances or be successful in working with such partners***

From time to time, depending on available opportunities, feasibility and market conditions, the Group may consider that it would benefit from the entry into collaborations, joint ventures, or strategic alliances with third parties in Singapore, Malaysia, Indonesia or overseas in connection with the Property Business. There is, however, no guarantee as to whether the Group would be able to find partners to work with at such time or, even if the Group is able to find partners to work with, whether the Group would be successful in working with such partners. Accordingly, even if the Group identifies strategic business opportunities with potential for growth that, in its view, would complement the Group's business, there is no assurance that these opportunities would be successfully executed and the Group may from time to time have to forego potential business opportunities.

4.1.23 ***The Group is exposed to risks associated with acquisitions, joint ventures, partnerships or strategic alliances***

Depending on available opportunities, feasibility and market conditions, the Group may participate in joint ventures, partnerships, strategic alliances, acquisitions or other investment opportunities involving numerous risks, including the possible diversion of management attention from existing business operations and loss of capital or other investments deployed in such joint ventures, partnerships, strategic alliances, acquisitions or opportunities. Furthermore, the Group is expected to rely on its joint venture partners at the initial stage of its foray into the Property Businesses, and there is a risk that if any of its joint venture partners is unable to deliver its obligations or commitments under the joint venture (such as

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failure to perform according to the expertise expected of the joint venture partner or meet the financial obligations), it may result in additional costs to the Group. Such collaborations also involve additional risks associated with the possibility that the joint venture and/or strategic partner may (i) have economic or business interests or goals that are inconsistent with the Group; (ii) take actions or omit to take actions contrary to the Group's instructions, request or objectives or good corporate governance practices or the law; (iii) be unable or unwilling to fulfil their obligations; (iv) have financial difficulties; or (v) have disputes with the Group as to the scope of their responsibilities and obligations. Any of these and other factors may materially and adversely affect the Group's business, financial condition, results of operations and prospects. In such events, the Group's financial performance may be adversely affected.

4.1.24 ***The Group does not have a proven track record and business history in the operation of the Property Business***

The Group does not have a proven track record in carrying out the Property Business. There is no assurance that the Property Business will be commercially successful and that the investments carried out pursuant to the Property Business will be able to derive sufficient revenue to offset the capital, startup and financing costs as well as operating costs arising from the new business initiatives.

The Property Business may require high capital commitments and may expose the Group to unforeseen liabilities or risks associated with its entry into new markets or new businesses.

The Property Business also involves business risks including the financial costs of setting up new operations, capital investment and maintaining working capital requirements. If the Group does not derive sufficient revenue from or does not manage the costs of the Property Business effectively, the overall financial position and profitability of the Group may be adversely affected.

Notwithstanding that the Group will have in place risk management procedures for the Property Business, there are still inherent limitations caused by misjudgement or fault. Accordingly, there is no assurance that the risk management procedures will be or are adequate or effective.

4.1.25 ***The Property Business will be dependent on the recruitment and retention of qualified employees and/or consultants for its operations and profitability, and the Group may not have the ability or sufficient expertise to execute and grow the Property Business***

The Group's ability to successfully diversify into the Property Business is dependent upon its ability to adapt its existing knowledge and to understand and navigate the Property Business.

Firstly, there is no assurance that the Group's existing experience and expertise will be sufficient for the Property Business, and the Group cannot guarantee that it will not experience initial operational difficulties or that its operations will achieve the expected level of revenue and profitability.

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Next, there is also no assurance that the employees hired by the Group to implement the Property Business will have the relevant expertise and knowledge. The Group recognises that there may be an increasing shortage of personnel with the relevant expertise and knowledge and any dearth in the availability of such labour resources will have an adverse effect on the operations of the Property Business and eventually its financial performance. Having a team of experienced and skilled personnel is essential in maintaining the quality of services and to grow the Property Business. There is no assurance that the Group will be able to attract and retain key members of the management team who have the necessary qualifications and experience to manage the Property Business. The competition for qualified personnel in the Property Business is intense, and the loss of any key member of the management team without any suitable and/or timely replacement may have a material adverse effect on the Property Business' prospects, financial performance and results of operations of the Group.

Further, the Group may not be able to harness the experience and knowledge of new employees in understanding and navigating through the Property Business. Therefore, the Group may not be able to implement the Property Business as successfully or smoothly as expected and this may adversely affect the Group's financial performance and profitability.

The Group may also appoint third party professionals, third party contractors and/or foster partnerships with various third parties to assist in undertaking the Property Business more effectively and efficiently. However, there is no assurance that these third party professionals and/or contractors will be able to deliver and/or that these partnerships will be successful. As such, the Group may not be able to successfully implement the Property Business and this may adversely affect the Group's financial performance and profitability.

4.1.26 ***The Group is subject to general risks associated with operating businesses outside Singapore***

The Group intends to commence its Property Business in Singapore and the other Territories outside of Singapore. There are risks inherent in operating businesses overseas, which include without limitation:

- (a) unexpected changes in regulatory requirements;
- (b) difficulties in staffing and managing foreign operations (including difficulty in implementing quality control policies in the Group's overseas operations);
- (c) insufficient management resources and potential increase in labour costs;
- (d) social and political instability;
- (e) lack of understanding of the local social conditions, local business environment or the financial, management or legal systems in the relevant countries;
- (f) difficulty in controlling costs;
- (g) inability to comply with foreign labour, industrial and tax regulations;

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- (h) high sales and marketing costs;
- (i) difficulty in expanding the sales and service network;
- (j) fluctuations in currency exchange rates;
- (k) potentially adverse tax consequences;
- (l) legal uncertainties regarding the Group's liability and enforcement; and
- (m) changes in local laws and controls on the repatriation of capital or profits.

Any of these risks could adversely affect the Group's overseas operations and consequently, its business, financial performance, financial conditions and operating cash flow.

Such risks and uncertainties may result in high investment costs or loss of investment, government penalties, breach of contract, loss of sales, reduction in revenue as well as expose the Group to liabilities and the requirement to pay compensation under the relevant laws and regulations, agreements and lawsuits and damage to the Group's reputation, which could have a material adverse effect on the Group's business, financial condition and results of operations.

In addition, if governments tighten or otherwise adversely change their laws and regulations relating to the repatriation of their local currencies, it may affect the ability of the Group's overseas operations to repatriate profits to the Group, and, accordingly, the cash flow of the Group will be adversely affected.

4.1.27 ***The Group may be affected by force majeure and other events beyond the control of the Group***

Diverse factors such as general macroeconomic conditions and business environment, natural disasters, epidemics, pandemics, outbreak of infectious diseases, acts of terrorism or violence, civil unrest, wars and international disputes may affect the operation and profitability of the Property Business and the Group. Such factors would affect the economic and business conditions in the countries where the Property Business will operate and the livelihood of their people, and may disrupt the operations of the Property Business resulting in a material adverse effect on the Group's business operations, financial performance and financial condition. If any of the foregoing occurs in any of the Territories, customer sentiment and spending could be adversely affected and this may have a negative impact on the Group's business operations, financial performance and financial condition. The staff and employees in these countries may also be adversely affected and this may in turn affect the Group's day-to-day operations.

The costs of funding, revenue, financial performance and business prospects of the Group may thereby be materially and adversely affected.

In particular, if there is any outbreak of any contagious disease, for instance, the COVID-19 outbreak, this may lead to a significant disruption in the Property Business. The Group may be unable to proceed with any redevelopment or enhancement of acquired properties due to the control orders imposed by the

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government in view of any outbreak of any contagious disease. In addition, consumer sentiments may be adversely affected and the willingness of tenants to rent the Group's properties will reduce.

4.1.28 ***The Group's performance in the Property Business will be subject to exposure to macro-economic risks***

The business of the Group may be affected by many factors which are beyond the Group's control. Any of the following factors may cause fluctuations and/or declines in the markets in which the Group operates or invests:

- (a) legal and regulatory changes;
- (b) economic and political conditions;
- (c) the level and volatility of liquidity and risk aversion;
- (d) concerns about natural disasters, terrorism and war;
- (e) the level and volatility of equity, debt, property, commodity and other financial markets;
- (f) the level and volatility of interest rates and foreign currency exchange rates;
- (g) concerns over inflation; and
- (h) changes in investor confidence levels.

Any of the abovementioned factors could adversely impact the performance of the Group.

4.1.29 ***The Group may not be able to identify, acquire, develop and/or sell profitable property development projects***

The performance and success of the Group's property investment and development depends on the Group's ability to identify profitable property development projects and following such identification, to successfully acquire, develop, sell and/or lease such projects. This ability may be negatively affected by various factors, including competition for new land sites from other property developers, changes to the general economic conditions in countries where the Group carries out its property investment and development operations and changes to relevant interest rates, construction costs, land costs and property prices. There is thus no guarantee that the Group will always be successful in identifying suitable property development projects or completing such property development projects profitably.

The Group's inability to identify and acquire attractive new sites at commercially acceptable prices could impair its ability to compete with other property developers and materially and adversely affect the Group's ability to grow its Property Business.

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4.1.30 ***The Group may not have adequate resources to finance land acquisition, undertake property development and property investment projects or to otherwise carry out its expansion into property investment and development***

Property development projects usually require high capital outlay during the land acquisition and construction phases and may take one or more years before positive cash flows may be generated through the sale of units whether under development or completed. Depending on the size and complexity of the project, it usually takes more than a year to complete a property development. Moreover, property investment and development projects may require periodic capital expenditure, refurbishment, renovation for improvements and development of the properties to be acquired by the Group in order to remain competitive or be income-producing. Any potential investment opportunities identified by the Group may also require lengthy investment lock-in periods.

Therefore, the Group's ability to successfully grow and sustain its property investment and development operations is dependent on adequate financing. The Property Business may require strong financial holding power to maintain investment properties until a suitable price can be attained, which will likely require substantial capital investments or cash outlay. There is no assurance that financing, either on a short term or a long term basis, will be made available or, if available, that such financing can be obtained on commercially reasonable terms, in which event the Group's future plans and growth prospects will be adversely affected.

The Group plans to finance its expansion into property investment and development primarily through internal sources of funds, progress payments from purchasers in respect of the Group's development properties as well as financial institution borrowings. That said, any inability to secure adequate equity or debt financing may adversely affect the Group's business, financial condition, results of operations and prospects.

Should the Group not be able to secure borrowings in a difficult credit environment, the Group may also seek access into the capital markets to raise funds for its property investment and development operations through equity and/or debt financing. If the equity capital raising is other than by a rights issue, or if new shares are issued to fund new property investment and development, this will dilute the shareholding interest of existing Shareholders. Further, if the Group fails to utilise the new equity to generate a commensurate increase in earnings, the Group's earnings per Share will be diluted and this could lead to a decline in Share price. Further, an issue of Shares below the then prevailing market price will also affect the value of Shares then held by investors. Dilution in Shareholders' equity interests may occur even if the issue of Shares is at a premium to the market price.

The Group cannot guarantee that it will have sufficient funds at its disposal for land acquisitions or property developments, be able to sell or finance the development of the project through the sale and/or lease of units in any particular development, be able to secure adequate financing, if at all, or obtain or renew credit facilities granted by banks and financial institutions for the projects in question. The Group's ability to obtain sufficient financing for land acquisitions or property developments with a commercially acceptable rate of return is dependent on many

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factors, some of which may be beyond its control, such as general economic conditions, the terms of credit offered by financial institutions and the availability of other sources of equity or debt financing.

Additional debt funding is subject to interest payments and interest rate fluctuations, and may also be subject to conditions that restrict or require consent for corporate restructuring, additional financing or fund raising, requirements on the maintenance of certain financial ratios. These conditions may increase the Group's financing costs and obligations and reduce the availability of the Group's cash flow for capital expenditures, working capital and other general corporate purposes. In addition, these conditions may limit the flexibility of the Group in planning for, or reacting to, changes in the business or industry and increase the Group's vulnerability to general adverse economic and industry conditions, and may limit the Company's ability to pay dividends. Any default on any financial covenants could also trigger cross-defaults and affect the Group's financial position and liquidity.

4.1.31 ***The Group is dependent on the continued support from its banks for debt funding***

The Group is currently in a net current asset position and has a relatively low debt to equity ratio. Any additional debt funding in relation to the Property Business may worsen its current asset position and increase its debt to equity ratio. In this regard, there may be potential breaches in some financial covenants and that there is no guarantee that the banks will continue to provide credit to the Group.

4.1.32 ***The Group is exposed to risks associated with property valuations and decline in property values in relation to its future investment properties***

The net asset value and profitability of the Group may be affected by the valuations of its future investment properties.

In the event that the Group applies the fair value model when accounting for all its investment properties, the value of its future investment properties may fluctuate from time to time due to market and other conditions, including changes in the supply and demand of properties as well as rental and occupancy levels. Such adjustments to the fair value of its investment properties could have an adverse effect on its net asset value and profitability.

In the event that the Group relies on valuations of the Group's future properties conducted by professional valuers, such valuations will be based on certain assumptions and are not intended to be a prediction of, and may not accurately reflect, the actual values of any of the Group's future property assets. The inspections of the properties and other works undertaken in connection with a valuation exercise may not identify all material defects, breaches of contracts, laws and regulations, and other deficiencies and factors that could affect the valuation.

Any factor which affects the value of any of the Group's future investment properties may adversely affect the Group's overall financial condition and results of operations.

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4.1.33 ***The Group may face difficulties in implementing and integrating the Property Business and may be required to devote significant time and resources to the Property Business***

There can be no assurance that the Group will be successful in implementing and integrating the Property Business. Delays in implementation and/or integration of the Property Business into the Group may divert the attention and resources of the Group's management, delay the commencement of or prevent revenue growth in any of the businesses, which may materially and adversely affect the results of operations or financial position of the Group.

As the Group may be required to devote significant time and resources to the Property Business, including but not limited to overseeing any property development, investment or management project or the operations, financial position, compliance with laws, management, and other issues of a subsidiary or associated company involved in the Property Business, and/or providing financial support for any property development, investment or management projects, or for liquidity requirements or financial obligations of a subsidiary or associated company involved in the Property Business, the resources available for, and the Group's management's time and focus on, the Current Core Business, may be stretched or reduced, which may have a negative impact on the Current Core Business.

In addition to the existing management team, the Group may recruit appropriate management resources for the Property Business to strengthen its existing management team. There can be no assurance that the existing management team will be able to integrate with the management resources recruited by the Group, and the Group may experience initial operational difficulties and/or management disputes which may adversely affect the results of operations or financial position of the Group.

4.1.34 ***The Group will be exposed to potential liability and loss arising from damages, injury or death due to accidents at construction worksites***

In the course of any future potential property development projects undertaken by the Group, the Group may face the inherent risk of accidents involving its employees or third parties on its development sites, even if adequate safety measures are in place. Such accidents, or mishaps may severely disrupt the Group's operations and lead to a delay in the completion of a project, and in the event of such delay, the Group could be liable to pay compensation, such as liquidated damages, under its contracts with its customers. If such an event arises, the Group's business, operating results and financial performance may be materially and adversely affected.

In addition, any accidents or mishaps resulting in significant damage to the Group's machinery or equipment may also have a significant adverse effect on the Group's business, financial condition and operating results.

Although the Group will, where appropriate, obtain insurance policies to cover such losses, there is no assurance that any claims made or decided against us will be covered by the insurance(s), or if covered, will not exceed the limits of our

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coverage. In such event, the Group may also have to commit additional resources to meet the uninsured losses, which would adversely affect the financial performance of the Group.

4.2 **Risk associated with the Hospitality Business**

4.2.1 ***The Group may be heavily dependent on the economies of other countries***

The Group's operations in the Hospitality Business would depend heavily on the economies of the other countries that the Group's hotels are intended to be located in. If these economies experience a downturn due to recession, deterioration in general economic conditions, fear of war or acts of terrorism, fear of outbreak of epidemics or any other factors, the demand for hotels will be reduced. Such events could reduce customers' demand for the services provided by the Group, and the business, operations and financial performance of the Group may be adversely affected.

4.2.2 ***The business of the Group may be severely affected by competition from other hotel companies***

The Group's operations in the Hospitality Business may face competition from other international, regional and independent hotel companies, some of which may have greater name recognition and financial resources than the Group (including competition in relation to hotel room rates, convenience, services or amenities offered). Such competition may result in the Group not being able to gain sufficient market share and demand for its services. This could result in a reduction in its revenue and have an adverse effect on the Group's business, operations and financial performance.

4.2.3 ***The business of the Group may be severely affected if the Group's future expansion is unsuccessful***

The ability of the Group to expand and the success of any new hotel operations depend on a number of factors, including the Group's ability to obtain financing on favourable terms, the availability and selection of suitable locations, the management of brands and the progress of construction of new hotel properties, some of which may be beyond the control of the Group.

The Group does not have an operating history with respect to the hotel assets it will manage as it ventures into the Hospitality Business. The Group cannot assure the returns of such hotel operations, and the Group may incur losses from such investments in the future. In addition, the rapid growth of hotel properties which are managed by the Group may require additional resources and commitment from the Group's management and place higher demands on the Group's financial reporting and the information systems. There is no assurance that the plans of the Group will be successful, or that its hotel management operations will be profitable. Less than successful investments or operations may have an adverse effect on the Group's business, operations and financial performance.

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4.2.4 ***The Group may be subject to substantial liability should the consumption of any of the food and beverages in the Group's hotels cause personal injuries or illnesses***

Food and beverage products may be served in the hotels owned, leased, operated, managed, or franchised by the Group. The serving of food and beverage products for human consumption involves and inherent risk of injury to consumers. Such injuries may result from tampering by unauthorised third parties or product contamination or degeneration, including the presence of foreign contaminants, chemicals, substances, or other agents of residues during the various stages of the procurement, production and serving process. While food and beverage operations are subject to governmental inspections and regulations, the Group cannot assure Shareholders that its service of food and beverages will not cause health-related illnesses, or that it will not be subject to claims or lawsuits relating to such matters. In the event of any injury or illness arising from the serving of food and beverage, the Group's insurance coverage may not be adequate to cover the financial damage and its reputation, business, operations and financial performance may be adversely affected.

4.2.5 ***The Group may be subject to the withdrawal of land use rights by the respective governments of different cities***

The Group may be subject to the withdrawal of land use rights by the respective governments of the different cities where the hotels and service apartments it manages and operates are located in. The imposition of terms and conditions, or the non-renewal of the land use rights granted by respective governments may have an adverse effect on the Group's business, operations and financial position.

In addition, the Group may be subject to compulsory acquisition of land by the respective governments of the different cities where its hotels are located in. If no compensation is awarded or the compensation to be awarded in respect of acquired property pursuant to any compulsory acquisition is less than what the Group would otherwise be entitled to receive had the property been sold at market value, the Group's business, financial condition, results of operations and prospects may be materially and adversely affected.

4.2.6 ***The Group may require additional financing for the Hospitality Business in the future***

The Group may need to tap the capital markets for debt or equity financing to fund capital expenditure for the Hospitality Business in the future. Additional equity financing may result in a dilution to the shareholdings of the Shareholders if Shareholders are unable to participate in such financing. Additional debt financing is subject to interest payments and interest rate fluctuations and may also be subject to conditions that restrict or require consent for corporate restructuring or additional financing or fund raising, or restrictions on the payment of dividends and maintenance of certain financial ratios. These conditions may limit the flexibility of the Group in planning for, or reacting to, changes in the business or industry.

The ability of the Group to obtain debt financing or funds from the capital markets for its requirements depends on prevailing market conditions, the ongoing performance of the Group and the acceptability of the financing terms offered. The

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Group cannot ensure that future financing will be available or available on acceptable terms, or in an amount sufficient to fund the needs of the Group. In the event that the Group is unable to obtain acceptable and adequate financing, it may not be able to undertake certain new projects and this may have an adverse effect on the Group's business operations and financial performance.

4.2.7 ***An outbreak of communicable diseases, if uncontrolled, may adversely affect the number of visitors to the Group's hotels, as well as disrupting its operations***

The outbreak of communicable or virulent diseases and pandemics/epidemics such as Severe Acute Respiratory Syndrome, H5N1 avian flu, Middle East Respiratory Syndrome, Ebola and the outbreak in late 2019 of a novel strain of coronavirus (COVID-19) in countries which the Group operates may materially and adversely affect its operations. In addition, any such occurrence could result in sporadic or prolonged market and/or supply disruptions, an economic downturn or recession, volatilities in domestic and/or international financial markets and may materially and adversely affect Singapore and other economies. The occurrence or developments of any of these events may materially and adversely affect the Group's business, financial condition, results of operations and prospects.

In particular, the global outbreak of COVID-19 triggered a global downturn and economic contraction and resulted in border control and movement restrictions imposed by governments as a response to the COVID-19 pandemic. In such event, if the Group is unable to seek alternative solutions in response to the workforce constraints, such as the hiring of temporary or contract employees or arranging for its employees to work overtime, this may materially and adversely impede the Group's ability to operate. Further, during such pandemic, there can be no assurance that the precautionary measures that Group takes to ensure the safety and well-being of its employees will always be effective in preventing the spread of disease. For instance, not all of the Group's employees may choose to be vaccinated against COVID-19 and further, there can be no assurance that the vaccine will be risk-free and effective with no harmful side effects. Further, any failure to comply with the stringent regulatory requirements may also result in penalties being imposed on the Group. The Group's hotels at which any material non-compliance occurred may also have to temporarily cease operations.

The impact of COVID-19 on the domestic, regional and global economy remains uncertain. While border control and travel restrictions have eased, there is no certainty that such restriction or other restrictions will be imposed again. Accordingly, the actual extent of the impact on the Group's business, financial condition, results of operations and prospects will depend on, among other things, the duration of the COVID-19 pandemic, the severity and length of the economic downturn and the speed and strength of the subsequent recovery. The COVID-19 pandemic could result in protracted volatility in international markets and/or result in a global recession. The foregoing may result in reduced investment and spending and severe unemployment, and an economic downturn of this scale may pose significant challenges to Group's business, and may lead to decreases in the number of travellers internationally, and hence the number of visitors to the Group's hotels.

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4.2.8 ***The Group's business may be adversely affected by any reduction in the willingness of its customers to travel due to any acts or threats of terrorism***

The Group's operations are affected by the number of international travellers which is in turn dependent on consumers' willingness to travel. In the event of any acts or threats of terrorism, the willingness to travel of potential customers may be drastically reduced. Furthermore, any increase in anti-terrorism measures and the tightening of visa or other entry requirements to some countries may also deter some potential customers from travelling. The Group cannot predict the extent to which disruptions in travelling caused by any future terrorist acts would adversely affect its business, operations and financial performance.

4.2.9 ***The Group's business may be adversely affected by natural disasters***

In recent years, various ASEAN and Asian countries have experienced numerous natural disasters, such as earthquakes, tsunamis, increasing typhoon activities and floods, resulting in numerous losses of lives and massive destruction to properties. Should these natural disasters increase in their severity or frequency in the future, the willingness of travellers to travel throughout ASEAN and Asia may be affected. The hospitality services industry may be affected and experience a downturn in demand. This would adversely affect the Group's business, operations and financial performance.

4.2.10 ***The Group may be exposed to significant operating risks***

The Hospitality Business is susceptible to operating risks common to the hospitality industry. These risks include competition from other hotels, oversupply in rooms, increase in operating costs due to inflation, dependence on tourism, increase in energy, labour costs and other expenses and adverse effects of general and local economic conditions.

4.2.11 ***The Group's business may be adversely affected by increase in insurance premiums***

In the aftermath of terrorist attacks, epidemics, hurricanes and other natural disasters, insurance companies may increase insurance premiums of the Group's Hospitality Business. This could erode profit margins, and adversely affect the Group's business, operations and financial performance.

4.2.12 ***The Hospitality Business and the hospitality services industry are subject to numerous government regulations and the Group may not be successful in applying for the requisite registration and/or licences***

The Hospitality Business may be subject to regulation by the respective governments and/or authorities in those industries. There can be no assurance that the Group will be successful in applying for and obtaining the requisite registrations and/or licenses, or that the Group will be able to maintain and/or renew these licences. Failure to obtain and/or renew licenses when necessary may delay the commencement of, or prevent revenue growth in the Hospitality Business, which may materially and adversely affect the operations and/or financial position of the Group.

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The hospitality services industry could be subject to numerous government regulations, including, without limitation, those relating to the operation of hotels the preparation and sale of food and beverages, and general building and zoning requirements. For example, the Hospitality Business in Singapore may require a licence from the Hotel Licensing Board, and if the Group fails to obtain the requisite approvals, it will be unable to undertake the relevant business. The Group will also be subject to laws governing its relationship with hotel employees including, without limitation, minimum wage requirements, overtime, working conditions, and work permit requirements. Compliance with the relevant laws and regulations may increase the operating costs of the hotel or otherwise adversely affect the business, operations and financial performance of the Group. The Group's business, operations and financial performance may also be adversely affected by any failure to maintain its existing or obtain future licenses, permits or approval or by fines or other penalties imposed in the event that it is found to have violated applicable regulations.

4.2.13 ***The Hospitality Business may be exposed to payment delays and/or defaults by tenants and the Group may not be able to generate adequate returns***

The Group may grant to tenants and customers and credit terms, which would then expose it to payment delays and/or defaults by its tenants and customers. Notwithstanding any such payment delays and/or defaults, the Group may continue to incur costs relating to the maintenance and upkeep of the properties leased by them. Persistent payment delays may also necessitate termination of the tenancy agreements, which will require a timely replacement.

In addition, the revenue derived from the rental of the unit may be adversely affected by a number of factors, including but not limited to changes in market rates for comparable rentals, the inability to secure new tenants, the inability to collect rent due to bankruptcy or insolvency of tenants and the cost from ongoing maintenance, repair and re-letting. Notwithstanding the termination of the tenancy agreements or inability to secure new tenants, the Group will continue to pay any non-cancellable commitments which the Group may have signed with the landlords. Any occurrence of the above may adversely affect the Group's business operations, financial performance and condition.

4.2.14 ***Under the Hospitality Business, there may be occurrences of non-compliance of lease terms by the Group's customers, resulting in imposition of fines on the Group or termination of the Group's master leases***

The tenants' use of the premises and the conduct of their businesses may be subject to governmental and regulatory requirements such as the requirement to obtain the requisite licenses and approvals for the use of the premises and/or the conduct of their business. Any occurrence of such non-compliance with the relevant regulations by the tenants may result in impositions of fines on the Group, restoration costs to be incurred by the Group or termination of the master leases. If the Group is unable to find suitable replacement premises due to the premature termination of the master lease, its business operations and financial performance will be adversely affected.

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4.2.15 ***The Group could be subject to foreign exchange exposure and currency fluctuations***

The Group may be subject to risks arising from foreign exchange fluctuations in relation to the Hospitality Business. The Group's revenue is presented in Singapore dollars in the financial statements while revenue generated from the Hospitality Business could be denominated in the currencies of the jurisdictions where the operations of the Group may take place in future. Unfavourable fluctuations in currency exchange rates can lead to exchange losses arising from transactions conducted in foreign currencies, as well as translations of foreign currency monetary assets and liabilities as at the end of the relevant reporting periods. If the exchange losses are substantial, it may have a negative impact on the Group's financial performance and financial condition.

4.2.16 ***The Group may be exposed to a range of economic risks relating to the Hospitality Business in the countries in which the Group may operate***

The performance of the Hospitality Business depends largely on the economic situation in Singapore, Malaysia and Indonesia (where the Group currently have businesses in) and where the Group intends to commence the Hospitality Business, and markets which the Group proposes to enter into (including other markets in ASEAN and Asia). There is no assurance that the Hospitality Business sector in Singapore, Malaysia, Indonesia, ASEAN and Asia or such other geographical markets will continue to grow. This may adversely affect the demand for the Group's products and services. Changes in inflation, interest rates, taxation or other regulatory, economic or adverse developments in the supply, demand and prices of resources in such countries, may have an adverse effect on the Hospitality Business. This may also materially and adversely affect the business, financial condition, results of operations and prospects of the Hospitality Business.

4.2.17 ***The Group may face difficulties in remitting capital, profits and dividends out of the countries it may operate the Hospitality Business in***

The Group may establish foreign entities to provide services under each or any of its Hospitality Business outside of Singapore and in Asia. The Group's foreign entities which may be engaged in the Hospitality Business may experience difficulty in remitting capital, profits and dividends out of its countries of operation, as such remittances may be subject to scrutiny and specific approval of the government or regulatory authorities in such countries, or may be subject to foreign exchange policies and conditions prevailing.

4.2.18 ***The Hospitality Business is heavily dependent on the Group's reputation***

The Hospitality Business relies to a large extent on reputation and market perception. The Group will be operating in industries where the Group's integrity (and the perception thereof) as well as the trust and confidence of the clients are of critical importance. Negative publicity (whether justified or otherwise) associated with the Group or any of its officers or employees may adversely impact the Group's reputation and result in a loss of clients. Accordingly, any perception of, or alleged mismanagement, fraud or failure to discharge legal, contractual,

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regulatory or fiduciary duties, responsibilities, liabilities, or obligations may have an adverse effect on the Group's growth prospects, business operations and financial performance.

4.2.19 ***The Group may be subject to exposure to litigation***

The Hospitality Business will be subject to multiple legal and regulatory environments, especially should the Group wish to expand operations to more countries. Any litigation brought against the Group by its clients or otherwise in the future in relation to Hospitality Business could have a material adverse effect on the Group's reputation, business, growth prospects, income, operations and/or financial performance.

Depending on the regulatory requirements, the Group may be required or elect to purchase professional indemnity insurance to mitigate litigation risks that the Group may face in relation to the Hospitality Business. However, the maximum coverage offered by such professional indemnity insurance might not be sufficient to cover losses and/or damages caused by any liabilities asserted against and expenses incurred in connection by persons in connection with the Group's business activities in the Hospitality Business. Additionally, such professional indemnity insurance may not cover said persons if the said person has acted in bad faith, or engaged in fraud or wilful misconduct.

4.2.20 ***The Group's success in the Hospitality Business depends on the Group's ability to attract highly skilled personnel***

The Group's success in the Hospitality Business depends on its ability to attract, motivate, train and retain skilled employees and professionals in the relevant fields of expertise and with the relevant track record for the Hospitality Business. If the Group is unable to attract, motivate and/or retain the necessary highly skilled personnel, there may be a material adverse effect on the Group's business, growth prospects, income, operations and/or financial performance. The Group's ability to recruit, retain and motivate skilled employees and professionals is dependent on the Group's ability to offer attractive remuneration and incentives, among other benefits. Efforts to recruit, retain and motivate such personnel may result in additional significant expenses, which could adversely affect the financial performance of the Group.

4.2.21 ***The Group may be affected by the actions of its employees and/or the professionals it engages***

The Group may be subject to the risk of employee misconduct or fraud, including but not limited to situations where material omissions, or false or misleading statements may be made to clients (inadvertently or otherwise), and/or where there is improper use or disclosure of confidential information by the Group's employees. While the Group intends to ensure a robust system of internal controls, including the appropriate checks and balances to prevent or minimise such risks, these precautions may not be effective in all cases and it may not always be possible to detect such instances if employee misconduct or fraud. Employee misconduct and/or negligence may result in legal liability, regulatory sanctions and unquantifiable damage to the Group's reputation, and may materially and adversely affect the Group's business operations and financial performance.

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Furthermore, the laws, rules and regulations applicable to the professionals engaged by the Group may also impose restrictions and/or penalties on the Group in the event such laws, rules or regulations are breached, or alleged to be breached by the professionals, and the Group's competitiveness and financial performance may consequently be materially and adversely affected.

4.2.22 ***The Group has no prior experience in the Hospitality Business, and faces integration risks***

Presently, the Group has no significant prior experience in the Hospitality Business. The Group would thus be required to devote time and management attention to setting up the Hospitality Business, including but not limited to applying for the requisite registrations and/or licenses, hiring skilled professionals and employees, providing the necessary training, know-how, business support, creating new incentive structures for management and staff, establishing the operating infrastructure and internal controls, brand development and establishing clientele.

Nevertheless, there can be no assurance that the Group will be successful in Hospitality Business, or that such measures will result in the seamless integration of the Hospitality Business into the Group's existing operations. Delays in integration and unforeseen or unresolved issues may divert management's attention and resources, delay the commencement or prevent revenue growth in the Hospitality Business, which may materially and adversely affect the operations and/or financial position of the Group.

4.2.23 ***The Group may be subject to risks in relation to interest rate movements***

Risks arising from interest rate movements, particularly as a result of the debts that may be undertaken to finance the Hospitality Business or any acquisitions, joint ventures or strategic alliances in relation thereto, may affect the Hospitality Business. Changes in interest rates will affect the Group's interest income and interest expense from short term deposits and other interest-bearing financial assets and liabilities which could have a material and adverse effect on the profitability of the Group. An increase in interest rates would also adversely affect the Group's ability to service loans and its ability to raise and service long term debts.

4.2.24 ***The Group may not be able to find partners to work with for future collaborations, joint ventures or strategic alliances or be successful in working with such partners***

From time to time, depending on available opportunities, feasibility and market conditions, the Group may consider that it would benefit from the entry into collaborations, joint ventures, or strategic alliances with third parties in Singapore, Malaysia, Indonesia or overseas in connection with the Hospitality Businesses. There is, however, no guarantee as to whether the Group would be able to find partners to work with at such time or, even if the Group is able to find partners to work with, whether the Group would be successful in working with such partners. Accordingly, even if the Group identifies strategic business opportunities with potential for growth that, in its view, would complement the Group's business, there is no assurance that these opportunities would be successfully executed and the Group may from time to time have to forego potential business opportunities.

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4.2.25 ***The Group is exposed to risks associated with acquisitions, joint ventures, partnerships or strategic alliances***

Depending on available opportunities, feasibility and market conditions, the Group may participate in joint ventures, partnerships, strategic alliances, acquisitions or other investment opportunities involving numerous risks, including the possible diversion of management attention from existing business operations and loss of capital or other investments deployed in such joint ventures, partnerships, strategic alliances, acquisitions or opportunities. Furthermore, the Group is expected to rely on its joint venture partners at the initial stage of its foray into the Hospitality Business, and there is a risk that if any of its joint venture partners is unable to deliver its obligations or commitments under the joint venture (such as failure to perform according to the expertise expected of the joint venture partner or meet the financial obligations), it may result in additional costs to the Group. Such collaborations also involve additional risks associated with the possibility that the joint venture and/or strategic partner may (i) have economic or business interests or goals that are inconsistent with the Group; (ii) take actions or omit to take actions contrary to the Group's instructions, request or objectives or good corporate governance practices or the law; (iii) be unable or unwilling to fulfil their obligations; (iv) have financial difficulties; or (v) have disputes with the Group as to the scope of their responsibilities and obligations. Any of these and other factors may materially and adversely affect the Group's business, financial condition, results of operations and prospects. In such events, the Group's financial performance may be adversely affected.

4.2.26 ***The business of the Group may be severely affected by property damage***

The Group's operations in the Hospitality Business may be severely affected by losses arising out of damage to the Group's hotels, where such losses may not be covered or inadequately covered by insurance policies, as a result of uninsurable risk or where such losses are in excess of the amount for which the hotels are insured. Such property damage could result in a loss of revenue or asset value during such time that the hotels are damaged and may have an adverse effect on the Group's business, financial condition, results of operations and prospects.

4.2.27 ***There is no assurance that the Group's expansion plans will be successful***

In order to grow its Hospitality Business, the Group may expand its operations both locally and overseas or explore acquisitions, joint ventures and/or strategic alliances which it believes will complement its current and future businesses.

These expansion plans will require substantial capital expenditure and financial resources. The success of the Group's expansion plans depends on many factors, some of which are not within its control. The number of attractive expansion opportunities may be limited and may command high valuations, and the Group may be unable to secure the necessary financing to implement such expansion plans. The Group may also be unable to achieve a sufficient level of revenue or manage its costs effectively, or may be unable to identify suitable expansion opportunities. All the above factors may cause the commencement of these planned expansions to be delayed. Further, there is no assurance that circumstances beyond its control will not arise. In the event that any of the above

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scenarios develop into actual events, the Group's future financial performance and position may be adversely affected.

Moreover, the Group may face difficulties arising from operating a significantly larger and more complex organisation as a result of the Hospitality Business, and it may not be able to effectively manage a larger enterprise or achieve the desired profitability from such acquisitions or expansion. The Group's acquisitions could also be subject to certain additional risks, including:

- (i) difficulties arising from operating a significantly larger and more complex organisation and expanding into new areas and territories, for example, having to comply with unfamiliar government authorities and regulations;
- (ii) difficulties in the integration of the assets and operations of acquired businesses with its existing assets and business;
- (iii) the loss of customers and other key staff following any acquisition;
- (iv) the diversion of management's attention from its existing businesses and an interruption of, or a loss of momentum in, the activities of such services;
- (v) the failure to realise expected profitability or growth;
- (vi) the failure to realise expected synergies and cost savings;
- (vii) difficulties arising from coordinating and consolidating corporate and administrative functions, including the integration of internal controls and procedures such as timely financial reporting;
- (viii) unforeseen legal, regulatory, contractual, labour or other issues; and
- (ix) difficulties arising from language, cultural and geographic barriers.

If the Group is unable to manage the growth in its business or is unable to successfully integrate newly acquired Hospitality Business, its ability to compete effectively could be impaired, and this may result in a material adverse effect on its business, financial condition, results of operations and prospects.

4.2.28 ***Change of risk profile***

The Group's risk profile may change following the Proposed Diversification as its business continues to grow and be conducted on a larger scale. The Group has undertaken the Proposed Diversification with a view of achieving long-term sustainable growth. This strategy exposes the Group to additional business and sustainable growth. The Group's diversification plans may also require substantial financial and management resources. In the event that the Group fails to manage its diversification strategy efficiently and effectively, its businesses and financial performance may be negatively affected.

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4.2.29 *Limitation in risk management and internal control systems*

The risk management and internal control systems of the Group, no matter how sophisticated in design, still contains inherent limitations caused by misjudgement or fault. Accordingly, there is no assurance that the risk management and internal control systems are adequate or effective notwithstanding the Group's efforts, and any failure to address any internal control matters and other deficiencies may result in investigations and/or disciplinary actions, prosecution being taken against the Group and/or its employees, disruption to the risk management system, and/or an adverse effect on the Group's financial condition and results of operations.

5. **SGX-ST LISTING MANUAL**

The Listing Manual provides that a major transaction is a transaction where any of the relative figures as computed on the bases set out in Rule 1006 of the Listing Manual exceeds twenty per cent. (20%) ("**Major Transaction**"). A Major Transaction must be made conditional upon approval by shareholders in a general meeting. In the case where any of the relative figures computed on the bases set out in Rule 1006 exceeds five per cent. (5%) but does not exceed twenty per cent. (20%), an announcement containing information prescribed under Rule 1010 of the Listing Manual will also be required.

Rule 1002(1) states, among others, that, unless the context otherwise requires, "transaction" refers to the acquisition or disposal of assets by an issuer or a subsidiary that is not listed on the Exchange or on an approved exchange, including an option to acquire or dispose of assets. It excludes an acquisition or disposal which is in, or in connection with, the ordinary course of its business or of a revenue nature.

Upon the approval by Shareholders of the Proposed Diversification, any acquisition or disposal which is in, or in connection with the New Businesses as contemplated by the Proposed Diversification, may be deemed to be in the ordinary course of the Group's ordinary course of business and therefore not fall under the definition of a "transaction" under Chapter 10 of the Listing Manual.

As such, the compliance requirements prescribed under Rules 1010 and 1014 of the Listing Manual do not apply to transactions which are within the Company's existing core business for so long as it is in the ordinary course of its business or of a revenue nature.

Further, pursuant to Practice Note 10.1 of the Listing Manual, shareholders' approval is not required for an acquisition that is regarded to be in, or in connection with the ordinary course of an issuer's business, if (a) the asset to be acquired is part of the issuer's existing principal business; and (b) the acquisition does not change the issuer's risk profile. Further guidelines are provided under Practice Note 10.1 of the Listing Manual on the assessment of what consists of "existing principal business" and "change of risk profile". Further, Practice Note 10.1 of the Listing Manual also states that a disposal of an issuer's business (or a substantial part of its business) will usually not be considered to be in the ordinary course of business.

The Proposed Diversification thus allows the Company, in its normal course of business, to enter into transactions in furtherance of the New Businesses in an efficient and timely manner without the need for Shareholders' approval, for so long as it is in the ordinary course of its business or of a revenue nature. As such, subject to the aforementioned SGX-ST's recommended practice in relation to diversification of business, the Company will

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not need to convene separate general meetings from time to time to seek Shareholders' approval as and when it intends to undertake transactions which are within the ordinary course of the New Businesses or are of a revenue nature, even where such transactions are Major Transactions. This will reduce substantially the administrative time and expenses in convening such meetings, without compromising the corporate objectives and adversely affecting the business opportunities available to the Company.

For the avoidance of doubt, notwithstanding the Shareholders' approval for the Proposed Diversification, where:

- (a) an acquisition of assets (whether or not the acquisition is deemed in the issuer's ordinary course of business) is one where any of the relative figures as computed on the bases set out in Rule 1006 is hundred per cent. (100%) or more, or is one which will result in a change in control of the issuer, Chapter 10 of the Listing Manual (including Rule 1015) will continue to apply to any such acquisition, which must be made conditional upon the approval of, *inter alia*, Shareholders;
- (b) a transaction constitutes an interested person transaction (as defined under the Listing Manual), Chapter 9 of the Listing Manual will continue to apply to any such transaction and the Company will comply with the provisions of Chapter 9 of the Listing Manual;
- (c) in light of Practice Note 10.1 of the Listing Manual, if a transaction is not within the existing principal business or changes the risk profile of the Company, Shareholders' approval would be required for such transaction; and
- (d) the first Major Transaction or the last of the aggregated transactions will be made conditional upon Shareholders' approval at a general meeting, in accordance with Section 2.2 of this Circular.

Pursuant to Rule 1005 of the Listing Manual states that in determining whether a transaction falls into category (a), (b), (c) or (d) of Rule 1004, the SGX-ST may aggregate separate transactions completed within the last 12 months and treat them as if they were one transaction.

The Company will also be required to comply with any applicable and prevailing rules in the Listing Manual as amended or modified from time to time.

6. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

The interests of Directors and Substantial Shareholders as recorded in the Register of Directors' Shareholdings and Register of Substantial Shareholders respectively, as at the Latest Practicable Date, are as follows:

	Direct Interest		Deemed Interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Directors				
Tan Ah Lye	–	–	85,521,408 ⁽³⁾	78.64
Tan Cheng Guan	–	–	–	–

LETTER TO SHAREHOLDERS

	Direct Interest		Deemed Interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Tan Cheng Kwong	–	–	–	–
Leong Wing Kong	–	–	–	–
Lim Keng Hoe	–	–	–	–
Rai Satish	–	–	–	–
Substantial Shareholders (other than Directors)				
TAL United Pte. Ltd.	85,521,408	78.64	–	–
TAL Holdings Pte. Ltd.	–	–	85,521,408 ⁽²⁾	78.64
Tan Ah Lye	–	–	85,521,408 ⁽³⁾	78.64
United Hope Pte. Ltd.	–	–	85,521,408 ⁽⁴⁾	78.64
Teo Yi-Dar	–	–	85,521,408 ⁽⁵⁾	78.64

Notes:

- (1) The above percentages are calculated based on the Company's share capital comprising 114,888,980 Shares less 6,138,480 Shares held as treasury shares.
- (2) TAL Holdings Pte Ltd owns more than 20% of the issued and fully paid-up capital of TAL United Pte. Ltd.. Pursuant to Section 7 of the Act, TAL Holdings Pte. Ltd. is deemed to have an interest in the Shares held by TAL United Pte, Ltd.
- (3) Mr. Tan Ah Lye owns more than 20% of the issued and fully paid-up capital of TAL Holdings Pte. Ltd.. Pursuant to Section 7 of the Act, Mr. Tan Ah Lye is deemed to have an interest in the Shares held by TAL Holdings Pte. Ltd..
- (4) United Hope Pte. Ltd. owns more than 20% of the issued and fully paid-up capital of TAL United Pte. Ltd. Pursuant to Section 7 of the Act, United Hope Pte. Ltd. is deemed to have an interest in the Shares held by TAL United Pte, Ltd.
- (5) Mr. Teo Yi-Dar owns 100% of the issued and fully paid-up capital of United Hope Pte. Ltd.. Pursuant to Section 7 of the Act, Mr. Teo Yi-Dar is deemed to have an interest in the Shares held by United Hope Pte. Ltd..

Other than through their respective shareholdings in the Company, none of the Directors or Substantial Shareholders has any interest, direct or indirect, in the Proposed Diversification.

7. DIRECTORS' RECOMMENDATION

Shareholders should read and consider carefully this Circular in its entirety before giving their approval pertaining to the Proposed Diversification. Having fully considered the rationale for the Proposed Diversification, the Directors are of the opinion that this is in the interest of the Company and recommend that Shareholders vote in favour of the ordinary resolutions as set out in the Notice of the EGM.

8. SHAREHOLDER'S APPROVAL

The Proposed Diversification will involve New Businesses which may change the risk profile of the Group. In this regard, an extraordinary general meeting will be required to be convened by the Company to seek Shareholders' approval for the Proposed Diversification.

LETTER TO SHAREHOLDERS

9. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages N-1 to N-4 of this Circular, will be held at Raffles Marina, No. 10, Tuas West Drive, Singapore 638404 on 29 April 2026 at 10:15 a.m. for the purpose of considering and, if thought fit, passing (with or without any modifications) the ordinary resolutions set out in the Notice of EGM. As stipulated under Section 81SJ(4) of the SFA, a Depositor shall not be regarded as a Shareholder entitled to attend the EGM and to speak and vote thereat unless he is shown to have Shares entered against his name in the Depository Register not less than 72 hours before the time appointed for the EGM.

10. ACTION TO BE TAKEN BY SHAREHOLDERS

If a Shareholder is unable to attend the EGM and wishes to appoint a proxy to attend and vote on their behalf, should complete, sign and return the attached Proxy Form attached to this Circular in accordance with the instructions printed thereon as soon as possible and, in any event, so as to arrive at the Company's share registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or submitted by email to agm2026@sinheng.com.sg, in each case, not less than 72 hours before the time fixed for the EGM.

The completion and lodgement of a Proxy Form by a Shareholder will not preclude him from attending and voting in person at the EGM if he so wishes. However, any appointment of a proxy or proxies by such Shareholder shall be deemed to be revoked if the Shareholder attends the EGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the EGM. A proxy need not be a Shareholder.

A Depositor shall not be regarded as a Shareholder entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register as certified by CDP at least 72 hours before the time fixed for the EGM.

Persons holding Shares in the Company through CDP are reminded that the proxy forms appointing themselves as proxies must similarly be deposited not less than 72 hours before the time appointed for the EGM in order for such persons to be able to attend and/or vote at such EGM.

11. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Diversification, the issuer and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in the Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Circular in its proper form and context.

LETTER TO SHAREHOLDERS

12. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected by Shareholders at the registered office of the Company at 26 Gul Road Singapore 629346 during normal business hours from the date of this Circular up to the date of the EGM:

- (i) Constitution of the Company; and
- (ii) The annual report of the Company for the financial year ended 31 December 2025.

Yours faithfully
For and on behalf of the Board of Directors
Sin Heng Heavy Machinery Limited

Tan Ah Lye
Executive Director & CEO
14 April 2026

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NOTICE OF EXTRAORDINARY GENERAL MEETING

SIN HENG HEAVY MACHINERY LIMITED

(Incorporated in the Republic of Singapore on 30 March 1981)
(Company Registration Number: 198101305R)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (“EGM”) of the Shareholders of the Company will be held at Raffles Marina, No. 10, Tuas West Drive, Singapore 638404 on 29 April 2026 at 10:15 a.m. (or immediately after the conclusion or adjournment of the Annual General Meeting to be held at 10:00 a.m. on the same day) for the purpose of considering and, if thought fit, passing with or without modification the following Ordinary Resolution:

All capitalised terms in this Notice, which are not defined herein, unless otherwise defined in the Notice, shall bear the respective meanings ascribed thereto in the Circular.

ORDINARY RESOLUTION:

THE PROPOSED DIVERSIFICATION OF THE GROUP’S BUSINESS TO INCLUDE THE NEW BUSINESSES (“PROPOSED DIVERSIFICATION”)

THAT:–

- (i) Approval be and is hereby given for the diversification of the Group’s business to include the New Businesses consisting of the Property Business and the Hospitality Business (“**New Businesses**”), as more particularly described in Section 2 of the Circular; and
- (ii) The Directors and each of them be and are hereby authorised to complete and do all acts and things (including executing all such documents as may be required in connection with the Proposed Diversification) and exercise such discretion as they or he in their or his absolute discretion deem fit, desirable, necessary or expedient, incidental or in the interests of the Company to give effect to the above transactions contemplated and authorised by this resolution.

BY ORDER OF THE BOARD

Sin Heng Heavy Machinery Limited

Ms Hon Wei Ling
Company Secretary
Singapore, 14 April 2026

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. The EGM of the Company will be held in a wholly physical format at Raffles Marina, No.10, Tuas West Drive, Singapore 638404, on 29 April 2026 at 10:15 a.m.. **There will be no option for members to participate virtually.**
2. Printed copies of this Notice of EGM, the Proxy Form and the Request Form (to request for printed copies of the Circular) have been despatched to members and are also available on the Company's website at the URL: <http://www.sinheng.com.sg/> and SGX website at the URL: <https://www.sgx.com/securities/company-announcements>.
3. The Circular has been published and is available for download or online viewing by members on the Company's website at the URL: <http://www.sinheng.com.sg/> and SGX website at the URL: <https://www.sgx.com/securities/company-announcements>. Printed copies of the Circular will not be sent to members unless requested by members via the submission of the Request Form. Members who wish to receive printed copies of the Circular are required to complete the Request Form and return it to the Company through any of the following means no later than **21 April 2026**.
 - (a) by email to agm2026@sinheng.com.sg; or
 - (b) by post and lodging the same at the office of the Company at 26 Gul Road, Jurong Industrial Estate, Singapore 629346.
4. If a member wishes to submit questions related to the resolutions tabled for approval at the EGM, all questions must be submitted no later than 21 April 2026 through any of the following means:-
 - (a) by email to agm2026@sinheng.com.sg; or
 - (b) by post and lodging the same at the office of the Company at 26 Gul Road, Jurong Industrial Estate, Singapore 629346.

and provide particulars as follows:

- Full name (for individuals)/company name (for corporates) as per CDP/CPF/SRS Account records;
- NRIC or Passport Number (for individuals)/Company Registration Number (for corporates);
- Contact number and email address; and
- The manner in which the member holds his/her/its shares in the Company (e.g. via CDP, CPF or SRS).

Please note that the Company will not be able to answer questions from persons who provide insufficient details to enable the Company to verify his/her/its member status.

Alternatively, members may also ask question during the EGM.

5. The Company will endeavour to address substantial and relevant questions received from members by 24 April 2026, 10:15 a.m., being not less than forty-eight (48) hours before the closing date and time for the lodgement of the proxy form via the SGX website at the URL <https://www.sgx.com/securities/company-announcements> and the Company's website at the URL <http://www.sinheng.com.sg/>. The Company will also address any subsequent clarifications sought or follow-up questions at the EGM in respect of substantial and relevant matters. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions will be individually addressed. The responses from the Board and the Management of the Company shall thereafter published on the SGX website and the Company's website, together with the minutes of EGM within one (1) month after the conclusion of the EGM. The minutes will include the responses to substantial and relevant questions received from members which are addressed during the EGM.
6. A member of the Company (other than a Relevant Intermediary*), entitled to attend, speak and vote at the EGM is entitled to appoint not more than two proxies or Chairman to attend, speak and vote in his/her/its stead at the EGM of the Company. A proxy need not be a member of the Company.
7. Where a member of the Company (other than a Relevant Intermediary*) appoints more than one proxy, he/she/it shall specify the proportion of his/her/its shareholding (expressed as a percentage of the whole) to be represented by each proxy in the form of proxy.

If no specific direction as to voting is given or in the event of any other matter arising at the EGM and at any adjournment thereof, the proxy/proxies (except where the Chairman of the EGM is appointed as the member's proxy) will vote or abstain from voting at his/her/their discretion. In the absence of specific direction as to the voting given by a member, the appointment of the Chairman of the EGM as the member's proxy for the relevant resolutions will be treated as invalid.
8. A member who is a Relevant Intermediary* may appoint more than two proxies to attend, speak and vote at the EGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him/her/it (which number and class of shares shall be specified).

NOTICE OF EXTRAORDINARY GENERAL MEETING

9. The completed proxy form, together with the power of attorney or other authority under which it is signed (if applicable) or a notarial certified copy thereof, must be submitted to the Company in the following manner:
- (a) By mail to office of the Company's share registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or
 - (b) By email to agm2026@sinheng.com.sg.
- In either case, by 26 April 2026, 10:15 a.m. (being seventy-two (72) hours before the time fixed for the EGM) ("**Proxy Deadline**"), and in default the instrument of proxy shall not be treated as valid.
10. The instrument appointing the proxy or proxies must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing the proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing the proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument, failing which the instrument may be treated as invalid.
11. A corporation which is a member may authorize by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act 1967.
12. The Company shall be entitled to reject the instrument appointing the proxy or proxies if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the proxy or proxies (including any related attachment or supporting documents) (such as in the case where the appointor submits more than one instrument appointing the proxy or proxies).
13. Investors who hold shares through Relevant Intermediaries*, including under the CPF Investors or the SRS Investors, and who wish to appoint the Chairman of the Meeting as their proxy should approach their respective Relevant Intermediaries*, including CPF Agent Banks or SRS Operators, to submit their votes at least seven (7) working days before the EGM (i.e. by 10:15 a.m. on 20 April 2026).
14. In the case of a member whose Shares are entered against his/her/its name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001), the Company may reject any instrument appointing the proxy or proxies lodged if such member, being appointor, is not shown to have Shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.

*A Relevant Intermediary is:

- (a) a banking corporation licensed under the Banking Act 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 and who holds shares in that capacity; or
- (a) the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

Personal Data Privacy

By (a) submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, or (b) submitting any question prior to the EGM of the Company in accordance with this Notice, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, (iii) addressing substantial and relevant questions from members received before the EGM and if necessary, following up with the relevant members in relation to such questions, (iv) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines by the relevant authorities, and (iv) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

NOTICE OF EXTRAORDINARY GENERAL MEETING

The member's personal data may be disclosed or transferred by the Company to its subsidiaries, its share registrar and/or other agents or bodies for any of the abovementioned purposes and retained for such period as may be necessary for the Company's verification and record purposes. Photographic, sound and/or video recordings of the EGM of the Company may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the EGM of the Company. Accordingly, the personal data of a member (such as his name, his presence at the EGM of the Company and any questions he may raise or motions he propose/second) may be recorded by the Company for such purpose.

PROXY FORM

SIN HENG HEAVY MACHINERY LIMITED

(Incorporated in the Republic of Singapore)
(Reg. No: 198101305R)

EXTRAORDINARY GENERAL MEETING PROXY FORM

(Please see notes overleaf before completing this Form)

IMPORTANT:

1. For investors who have used their CPF monies to buy shares in Sin Heng Heavy Machinery Limited, this Circular is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to attend the Meeting as an observer must submit their requests through their CPF approved Nominees within the time frame specified. If they also wish to vote, they must submit their voting instructions to the CPF Approved Nominees within the time frame specified to enable them to vote on their behalf.

I/We _____

((Name) _____ ((NRIC/Passport No./Co. Registration No.) _____

of _____ (Address) _____
being a member/members of **SIN HENG HEAVY MACHINERY LIMITED** (the "Company") hereby appoint:-

Name	NRIC/Passport No.	Proportion of Shareholding (%) to be represented by proxy	
		No. of Shares	%
Address			

and/or*

Name	NRIC/Passport No.	Proportion of Shareholding (%) to be represented by proxy	
		No. of Shares	%
Address			

or failing *him/her/them, the Chairman of the Extraordinary General Meeting (the "EGM") as my/our* proxy/proxies*, to attend, speak and vote for me/us* on my/our* behalf at the EGM of the Company to be held at Raffles Marina, No. 10, Tuas West Drive, Singapore 638404 on Wednesday 29 April 2026 at 10:15 a.m. (or immediately after the conclusion or adjournment of the Annual General Meeting to be held at 10:00 a.m. on the same day) and at any adjournment thereof.

*I/We direct *my/our *proxy/proxies, to vote for or against, or to abstain on the Resolution to be proposed at the EGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the EGM and at any adjournment thereof, the *proxy/proxies will vote or abstain from voting at *his/her/their discretion. In the absence of specific directions in respect of the Resolution, the appointment of the Chairman of the EGM as *my/our proxy for that resolution will be treated as invalid.

	No. of Votes For**	No. of Votes Against**	No. of Votes Abstain**
Ordinary Resolution			
To approve the Proposed Diversification of the Group's business to include the New Businesses consisting of the Property Business and the Hospitality Business as additional core businesses of the Group			

* Delete where inapplicable

** If you wish to exercise all your votes 'For' or 'Against' or 'Abstain', please tick (✓) within the box provided. Alternatively, please indicate the number of votes as appropriate. If you mark the abstain box for a particular resolution, you are directing your proxy not to vote on that resolution on a poll and your votes will not be counted in computing the required majority on a poll.

Note: Please note that the short descriptions given above of the Resolution to be passed do not in any way whatsoever reflect the intent and purpose of the Resolution. The short descriptions have been inserted for convenience only. Shareholders are encouraged to refer to the Notice of EGM for the full purpose and intent of the Resolution to be passed.

Dated this _____ day of _____ 2026.

Total Number of Shares held

Signature(s) of Member(s)/Common Seal of Corporate Member

IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS PROXY FORM

PROXY FORM

Notes:–

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. A member of the Company (other than a Relevant Intermediary*), entitled to attend, speak and vote at EGM of the Company is entitled to appoint not more than two proxies or Chairman to attend, speak and vote in his/her/its stead. A proxy need not be a member of the Company.
3. Where a member of the Company (other than a Relevant Intermediary*) appoints more than one proxy, he/she/it shall specify the proportion of his/her/its shareholding (expressed as a percentage of the whole) to be represented by each proxy in the form of proxy.
4. A member who is a Relevant Intermediary* may appoint more than two proxies to attend, speak and vote at the EGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified).
5. The completed proxy form, together with the power of attorney or other authority under which it is signed (if applicable) or a notarial certified copy thereof, must be submitted to the Company in the following manner:–
 - (a) By mail to office of the Company's share registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or
 - (b) By email to agm2026@sinheng.com.sg.In either case, by 26 April 2026, 10:15 a.m. (being seventy-two (72) hours before the time fixed for the EGM) ("**Proxy Deadline**"), and in default the instrument of proxy shall not be treated as valid.
6. The instrument appointing the proxy or proxies must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing the proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing the proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument, failing which the instrument may be treated as invalid.
7. A corporation which is a member may authorize by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act 1967.
8. The Company shall be entitled to reject the instrument appointing the proxy or proxies if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the proxy or proxies (including any related attachment or supporting documents) (such as in the case where the appointor submits more than one instrument appointing the proxy or proxies).
9. Investors who hold shares through Relevant Intermediaries*, including under the CPF Investors or the SRS Investors, and who wish to appoint the Chairman of the Meeting as their proxy should approach their respective Relevant Intermediaries*, including CPF Agent Banks or SRS Operators, to submit their votes at least seven (7) working days before the EGM (i.e. by 10:15 a.m. on 20 April 2026).
10. In the case of a member whose Shares are entered against his/her/its name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001), the Company may reject any instrument appointing the proxy or proxies lodged if such member, being appointor, is not shown to have Shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.

*A Relevant Intermediary is:

- (a) a banking corporation licensed under the Banking Act 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

Personal Data Privacy:

By submitting an instrument appointing the Chairman of the Meeting as proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting dated 14 April 2026.