SIN HENG
HEAVY MACHINERY LIMITED

2024 ANNUAL REPORT

新興重型機械有限公司

SIN HENG

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CORPORATE PROFILE

Established in 1969, the home-grown Sin Heng Group has grown into the leading heavy lifting service provider of today, occupying the mid-to-high lifting capacity segment in Singapore. Over the years, Sin Heng Group has participated in many major infrastructure and geotechnic projects in Singapore and established ourselves as a heavy lifting specialist with a proven track record.

Sin Heng's five decades of lifting experience and expertise, together with a comprehensive fleet of cranes and aerial lifts, allows us to actively contribute in the development of Singapore as it provides reliability and assurance to all past and future partners of the Group.

The Group has also gradually expanded its presence in the ASEAN region to provide convenience and better serve our overseas customers. Sin Heng's overseas operations are fully equipped with professional maintenance service teams trained with the support of our equipment manufacturers.

Sin Heng Heavy Machinery Limited has been listed on the Mainboard of the Singapore Exchange Securities Trading Limited ("SGX-ST") since February 2010.

OUR BUSINESS

Sin Heng Group's core business divisions are complementary in nature, as our Equipment Rental business involves the rental of cranes and aerial lifts; while our Trading business involves the trading of both new and used cranes and aerial lifts. The Group also undertakes the sales and distribution of spare parts for the cranes and aerial lifts that we deal in as part of our commitment to customers.

The Group has an extensive global network of suppliers which it sources lifting equipment, including directly from equipment manufacturers such as Kobelco Group; and various end-users, equipment rental companies and trading houses to fulfill all customer needs.

Other than Singapore, Sin Heng Group also has an active regional footprint in Malaysia and Indonesia. The Group is also constantly on the lookout to expand its reach to new geographic regions with promising business prospects.

OUR PROFESSIONALISM

Sin Heng's broad technical expertise and excellent after-sales services has enabled the Group to earn a reputation for consistently delivering operational, service and safety excellence to customers. The Group is committed to provide safe, high quality and reliable lifting services to customers across Asia through our team of well-trained equipment operators and mechanics to meet the exacting demands and requirements of customers in the most professional manner.

OUR DISTRIBUTORSHIPS

As validation of our commitment to reliability, Sin Heng Heavy Machinery Limited is the authorised regional distributor for cranes and parts of Kobelco (Japanese crawler crane specialist) and Kato (Japanese hydraulic cranes specialist).


SIN HENG

SIN HENG KOBELCO

600 UNITS

The collaboration between **SIN HENG** and **KOBELCO** has thrived on shared values of excellence and commitment to quality. Our decision to source cranes from KOBELCO was driven by several compelling factors that have consistently proven to be game-changers in our industry. Renowned for their exceptional quality, good resale value, and remarkable durability. This **600th crane is not just a symbol of our business achievement but also a testament to the enduring strength of our partnership.**

In an industry where equipment depreciation can significantly impact financial performance, the good resale value of KOBELCO cranes offers a significant advantage. It **enhances our financial stability** and **allows us to reinvest continually** in our operations. KOBELCO advanced engineering and stringent quality ensure **reliable, low-maintenance cranes, minimizing downtime** and **boosting our operational efficiency to deliver top-notch service.**

We extend our **heartfelt thanks** to **our dedicated staff and loyal clients.** Your **unwavering support and hard work** have made this milestone possible. Thank you for being an integral part of our journey. **Here's to lifting new heights together with the best cranes in this industry!**

“ The achievement of 600 units distribution is truly the No.1 record of the KOBELCO's distributors in the global market. This is the result of the high-level management philosophy and strong will of the founder, the Chairman, Mr. Tan Ah Lye, and the director Mr. Tan Cheng Guan, who is carrying his throught forward. I highly respect the teamwork of all the members of SIN HENG and their professionalism.

Mr. Akira Yamamoto
President & CEO, KOBELCO

“ I am delighted that we were able to successfully celebrate this occasion today, however, it has not been an easy story to achieve 600 units. Both SIN HENG and KOBELCO are standing in a hard circumstance of the global competition. It is essential for us to continue tough discussion and collaboration in order to survive in the market and achieve the next 700 units.

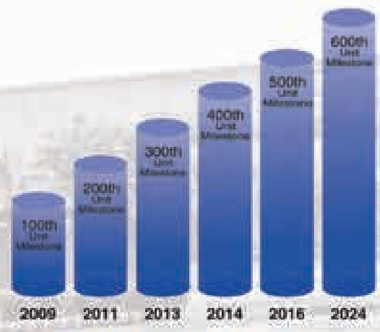
Mr. Takeshi Miyashita
General Manager, KOBELCO

“ We serve a diverse range of projects across Singapore and Southeast Asia. Our partnership with KOBELCO has been crucial to our success and growth. Reaching the milestone of 600th cranes reflects the trust and synergy we've developed over the years. KOBELCO's cutting-edge technology and unwavering support have consistently enabled us to meet and exceed our clients' expectations.

Mr. Tan Ah Lye
CEO, SIN HENG

“ We've chosen KOBELCO machines from the start, knowing it was the right decision. KOBELCO machines are easy to maintain. Supported by the professional team and KOBELCO parts centre. Both new and used KOBELCO models are highly valued by our customers. A heartfelt thanks to our loyal customers and dedicated staff for their ongoing contributions.

Mr. Tan Cheng Guan
Executive Director, SIN HENG



KOBELCO SIN HENG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KATO
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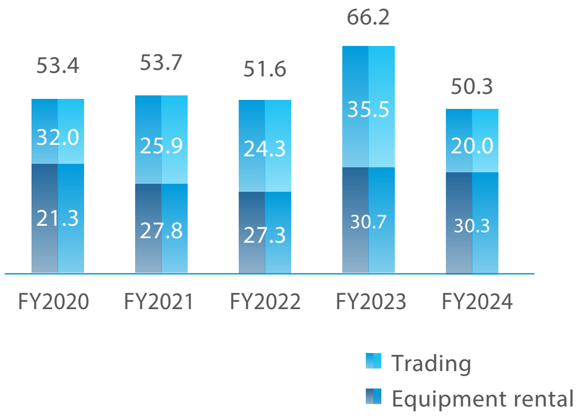
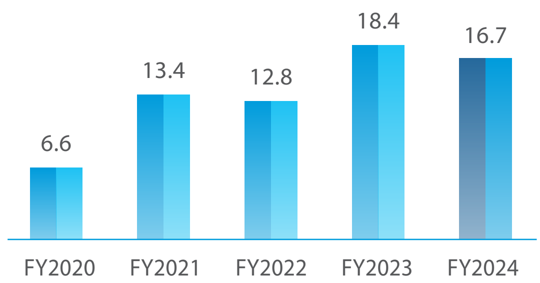
1250AJP

FINANCIAL HIGHLIGHTS

REVENUE
(S$Million)

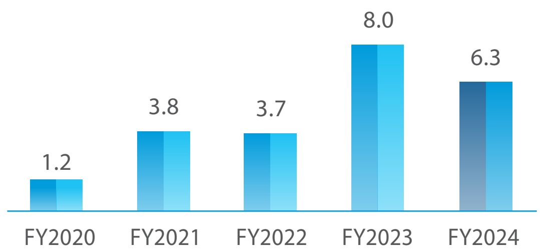


GROSS PROFIT
(S$Million)



	FY2020	FY2021	FY2022	FY2023	FY2024
Equipment Rental Fleet					
Aggregate crane lifting capacity (tons)	12,444	11,399	11,624	9,369	**8,034**
Average crane lifting capacity (tons)	101	99	99	119	**128**
Cranes (units)	123	115	117	79	**63**
Lifts (units)	175	192	256	386	**389**

PROFIT (LOSS) ATTRIBUTABLE TO OWNERS OF THE COMPANY
(S$Million)



FINANCIAL HIGHLIGHTS

FINANCIAL PERFORMANCE SUMMARY

(S$'000)	FY2020	FY2021	FY2022	FY2023	FY2024
Statement of Profit or Loss					
Total revenue	53,357	53,730	51,570	66,230	**50,281**
– Trading	32,019	25,908	24,269	35,518	**19,970**
– Equipment rental	21,338	27,822	27,301	30,712	**30,311**
Gross profit	6,563	13,390	12,839	18,432	**16,719**
– Trading	4,159	5,393	4,993	8,469	**5,461**
– Equipment rental	2,404	7,997	7,846	9,963	**11,258**
Depreciation of property, plant and equipment	8,093	7,535	6,825	6,452	**6,016**
Profit/(loss) before income tax	756	4,818	4,395	9,774	**7,492**
Profit/(loss) attributable to owners of the Company	1,196	3,766	3,651	7,995	**6,267**
Statement of Cash Flows					
Cash flows from/(used in) operating activities	14,060	26,984	(8,156)	10,722	**11,904**
Statement of Financial Position					
Total assets	127,445	124,109	125,696	127,830	**125,703**
– Crane and lifts	56,397	51,557	56,968	54,693	**48,019**
Total liabilities	14,976	15,308	20,956	21,627	**18,163**
Total equity	112,469	108,801	104,740	106,203	**107,540**
No. of shares issued (thousand)	114,889	114,889	114,889	114,889	**114,889**
No. of shares held as treasury shares (thousand)	876	1,476	1,476	5,166	**6,138**
Financial Indicators					
Revenue growth	(27.7%)	0.7%	(4.0%)	28.4%	**(24.1%)**
Gross profit margin	12.3%	24.9%	24.9%	27.8%	**33.3%**
Net asset value per ordinary share (dollars)	0.99	0.96	0.92	0.97	**0.99**
Based on profit/(loss) attributable to owners of the Company					
Net profit margin	2.2%	7.0%	7.1%	12.1%	**12.5%**
Return on equity	1.1%	3.5%	3.5%	7.5%	**5.8%**
Basic earnings/(loss) per share (cents)	1.05	3.31	3.22	7.12	**5.75**

OUR GLOBAL NETWORK

• Map for reference only, the actual map of the country shall prevail!

MESSAGE TO SHAREHOLDERS

Tan Ah Lye
Executive Director & CEO

Earnings per share

5.75¢

FY2023: 7.12¢

Leong Wing Kong
Independent Chairman

Dividend per share

5.0¢

FY2023: 5.0¢

Dear Shareholders,

On behalf of the Board of Directors, we are pleased to present to you the annual report of Sin Heng Heavy Machinery Limited and its subsidiaries (the "Group"), for the financial year ended 31 December 2024 ("FY2024").

Year in Review

In FY2024, the Group has recorded total revenue of S$50.3 million and gross profit of S$16.7 million, representing a year-on-year decrease of 24.1% and 9.3%, respectively. Profit for the year was S$6.3 million, a decrease of 21.6% as compared to FY2023.

The Group's entity in Malaysia had successfully completed its operations streamlining during the year, which included the disposal of its rental fleet. With this restructuring now finalised, the Malaysia entity is now focusing on its trading business to better align with the Group's strategic objectives.

In FY2024, the Group also achieved a significant milestone in taking delivery of our 600th Kobelco crawler crane. This is a testament to our enduring commitment to supporting Singapore's construction sector and our ability to demonstrate our operational capacity despite the market challenges.

On other matters, the Group successfully secured a 20-year lease extension from JTC Corporation, extending the tenure of our premise at 26 Gul Road to 2045. This extension reinforces our long-term commitment to operational stability and growth in Singapore's construction sector.

Outlook

The macroeconomic environment continues to present significant challenges, stemming from the recent rise of economy protectionism, persistent geopolitical tensions and economic uncertainty. As these global risks continue to evolve, fluctuations in economic conditions, interest rate shifts, volatile foreign exchange, and inflationary pressure create headwinds that threaten stability in the business environment in the region.

In Singapore, according to the media released by Building and Construction Authority ("BCA") dated 23 January 2025, the projected construction demand is estimated to be between S$47 billion and S$53 billion in nominal terms and between S$35 billion and S$39 billion in real terms. This demand is supported by the anticipated awarding of contracts for major construction and infrastructure developments.

In view of the abovementioned, the Group remains cautiously optimistic of the market conditions in which the Group operates. The Group will continue to maintain a prudent cash management strategy, ensuring financial resilience amid the dynamic conditions of Singapore's construction sector. By carefully managing cash flow and optimising resource allocation, the Group aims to safeguard its operational stability while preserving the flexibility to seize emerging opportunities.

Dividend

In light of the Group's performance and in recognition of our shareholders' continued support, the Board of Directors is delighted to propose a dividend of 5.0 cents per ordinary share. The proposed dividend comprises a first and final dividend of 1.0 Singapore cents and a special dividend of 4.0 Singapore cents respectively, totalling S$5.4 million, subject to shareholders' approval at the forthcoming Annual General Meeting.

Acknowledgement and Appreciation

On behalf of the Board and Management, we extend our heartfelt thanks to our committed staff for their unwavering dedication, resilience, and perseverance in navigating the challenging business environment. Your combined efforts have played a pivotal role in Sin Heng's ongoing success.

Lastly, we wish to extend our appreciation to all stakeholders for their steadfast support and trust in us. A thank you to our shareholders for your continued patience and confidence in Sin Heng. With your loyal support, we are determined to strengthen our foundation and work towards a more resilient future.

Leong Wing Kong
Independent Chairman

Tan Ah Lye
Executive Director & CEO

OPERATIONS REVIEW

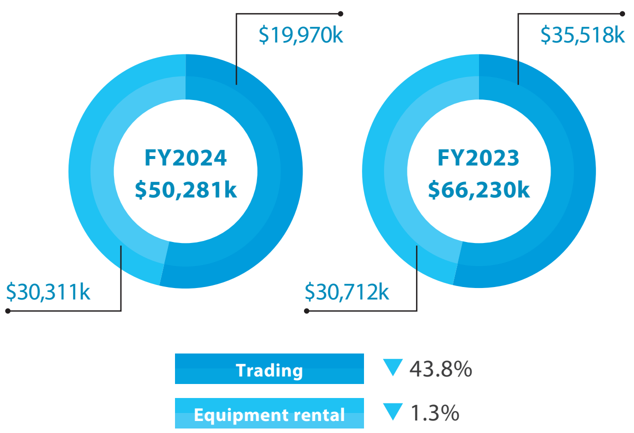
Amid the challenging business landscape, including persistent geopolitical tensions and inflationary pressures, the Group experienced a decline in overall revenue and gross profit for FY2024, driven by weaker performance in the Trading business. However, the Rental business showed resilience, with its gross profit increasing by 13.0% as compared to FY2023.

As at 31 December 2024, the Group had a total fleet size of 452 units of cranes and aerial lifts, compared to a total fleet size of 465 units of cranes and aerial lifts in FY2023. The Group continues to strategically manage and optimise our rental fleet to meet market demand.

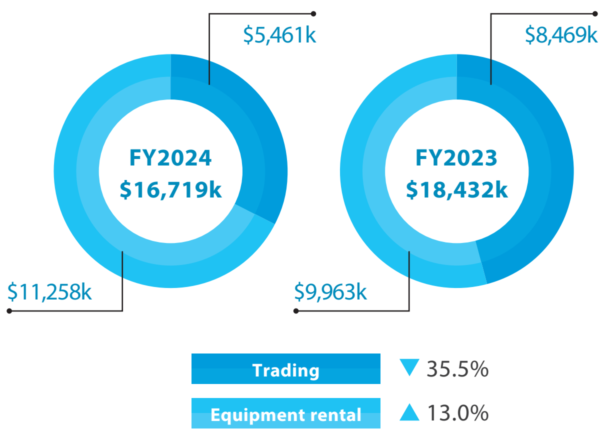
FINANCIAL PERFORMANCE

For the financial year ended 31 December 2024, the Group has recorded revenue of $50.2 million (2023: $66.2 million) and a net profit of $6.3 million (2023: $8.0 million) while earnings per share was 5.75 cents (2023: 7.12 cents).

REVENUE



GROSS PROFIT



Revenue ▼ 24.1% from $66,230k
$50,281k

Gross Profit ▼ 9.3% from $18,432k
$16,719k

Net Profit ▼ 21.6% from $7,995k
$6,267k

The Group's reported revenue and gross profit in FY2024 had decreased compared to FY2023, mainly due to the reduced level of activity in the Malaysia's operation. While the gross profit margin for the trading segment decreased, the equipment rental segment saw an improvement from FY2023 to FY2024.

Trading segment revenue and gross profit had decreased, mainly due to the reduction in the number of equipment sold during the periods.

Equipment rental segment revenue had decreased but its gross profit had increased, mainly due to improved contribution as the result of different product mix offered to customers.

OPERATIONS REVIEW

PROFIT OR LOSS

	FY2024	FY2023	% change
Other operating income	1,939	2,979	▼ 34.9%
Selling expenses	(448)	(396)	▲ 13.1%
Administrative expenses	(10,216)	(10,473)	▼ 2.5%
Other operating expenses	(314)	(585)	▼ 46.3%
Finance costs	(188)	(183)	▲ 2.7%

Other income decreased by 34.9% in FY2024, mainly due to the lower gain on disposal of property, plant and equipment in the current year.

Selling expenses increased by 13.1% in FY2024, mainly due to sales commission.

Administrative expenses decreased by 2.5% in FY2024, mainly due to decrease in directors and staff related expenses and lower professional fees.

Other operating expenses decreased by 46.3% in FY2024, mainly due to lower bad debts written off and provisions, and lower property, plant and equipment written off.

Finance costs remained constant in current year as compared to previous financial year.

FINANCIAL POSITION

	FY2024	FY2023	Variance
Total Assets	125,703	127,830	(2,127)
– Current assets	64,779	61,601	3,178
– Non-current assets	60,924	66,229	(5,305)
Total Liabilities	18,163	21,627	(3,464)
– Current liabilities	8,358	9,957	(1,599)
– Non-current liabilities	9,805	11,670	(1,865)
Total Equity	107,540	106,203	1,337

Current assets as at 31 December 2024 had increased mainly due to increase in cash and bank balances and trade receivables, which was partially offset by decrease in other receivables and inventories.

Non-current assets as at 31 December 2024 had decreased mainly due to depreciation of property, plant and equipment and right-of-use assets, partially offset by fair value gain in financial assets at fair value through other comprehensive income and an investment in other assets.

Current liabilities as at 31 December 2024 had decreased mainly due to decrease in other payables, lease liabilities and income tax payable.

Non-current liabilities as at 31 December 2024 had decreased mainly due to repayment of lease liabilities.

As at 31 December 2024, total equity increased by $1.3 million compared to prior year mainly due to profit for the year and fair value gain on financial assets at FVTOCI, partially offset by dividend payment and share buyback.

As at 31 December 2024, the Group registered a positive working capital of $56.4 million as compared to that of $51.6 million as at 31 December 2023. The Group has managed to maintain its net cash position as at 31 December 2024.

SIN HENG IS AN AUTHORISED DISTRIBUTOR FOR THESE LEADING BRANDS

KATO

KATO

BOARD OF DIRECTORS

As of 31 December 2024

MR LEONG WING KONG
Independent Director

MR TAN AH LYE
Executive Director and Chief Executive Officer

Mr Leong Wing Kong was appointed as Independent Director on 1 July 2020. He is the Chairman of the Board and the Audit and Risk Committee, and a member of the Nominating Committee and the Remuneration Committee. Mr Leong has over 14 years of experience in direct investment in the areas of private equity and venture capital. Mr Leong was the Vice President of SEAVI Advent Private Equity where his responsibilities include supporting SEAVI Advent's investment business in ASEAN and China. Prior to SEAVI Advent, between November 1995 and March 2000, Mr Leong was at the Capital Markets Department of DBS where he provided mergers and acquisitions advisory services to clients in various industries. Before joining DBS, he was an auditor at Deloitte Touche Tohmatsu, Kuala Lumpur, from July 1992 to December 1993, and he later became an audit supervisor at Price Waterhouse, Singapore, from January 1994 to November 1995.

Mr Leong graduated with a degree of Bachelor of Business in Accounting in 1991 from Swinburne University of Technology in Australia. Mr Leong is also a Chartered Accountant registered with Institute of Singapore Chartered Accountants.

Mr Tan Ah Lye, the founder of the Company, is one of the pioneers in the lifting industry in Singapore. He started as a sole proprietor in 1969 and has more than 40 years of experience in cranes, aerial lifts and construction-related equipment. Mr Tan is very familiar with the business and operational aspects of the Company and is also very well-versed with the technicality of the equipment. With his many years of valuable experience and knowledge, Mr Tan has also built up a vast network across many industries and close relationships with our major suppliers.

Mr Tan has been our Executive Director and Chief Executive Officer since November 2017. Prior to November 2017, he was the Non-Executive Chairman from October 2012 to June 2016 and the Executive Chairman from July 2016 to November 2017. Mr Tan was conferred the Pingat Bakti Masyarakat (Public Service Medal) by The President of the Republic of Singapore in 2016.

BOARD OF DIRECTORS

As of 31 December 2024

MR TAN CHENG KWONG
Executive Director and
Deputy Chief Executive Officer

Mr Tan Cheng Kwong joined the Company in 1995 and worked his way up to his current position as an Executive Director. Mr Tan has been appointed as Deputy Chief Executive Officer with effect from 4 May 2020. Mr Tan is in charge of the management and operations of Sin Heng Aerial Lifts Pte. Ltd. since 1999. Mr Tan has over 20 years of experience in the business of rental and trading of equipment. Under his management, our aerial lift business has grown significantly and we are now one of the leading aerial lift companies in Singapore.

MR TAN CHENG GUAN
Executive Director

Mr Tan Cheng Guan joined the Company in 1993 and worked his way up to his current position as an Executive Director. Mr Tan is in charge of our Group's crane trading business, Malaysia and Indonesia subsidiaries. Mr Tan also manages our maintenance service team to ensure best level of after sales service and support for our customers.

With his many years of experience in the crane business, Mr Tan has been instrumental in growing the scope and revenue of this business segment. He is responsible for developing new procurement channels, promoting sales, identifying new business opportunities and customers and managing relationships with existing customers.

BOARD OF DIRECTORS

As of 31 December 2024

MR LIM KENG HOE
Independent Director

Mr Lim Keng Hoe was appointed as Independent Director on 12 July 2021. He is the Chairman of the Remuneration Committee, and a member of the Audit and Risk Committee and the Nominating Committee. Mr Lim is currently the Managing Director of Hitachi Systems Network Technologies Pte Ltd, an ICT solutions provider that integrates technologies, information and ideas and transforms businesses for innovation and growth. Concurrently, he also sits on the board of Hitachi Systems Network Technologies Pte Ltd. Mr Lim is an experienced enterprise leader with more than 25 years of experience in general & operational management, sales & business development as well as corporate strategy and policies formulation. Mr Lim started his career with the Singapore Police Force before his various stints in the private sector including the Singtel group and ST Telemedia group companies.

Mr Lim was awarded the prestigious Public Service Commission (Police Service) tertiary scholarship and graduated from the National University of Singapore in 1994 with a Bachelor of Science in Computer & Information Sciences.

MR RAI SATISH
Independent Director

Mr Rai Satish was appointed as Independent Director on 27 September 2022. He is the Chairman of the Nominating Committee, and a member of the Audit and Risk Committee and the Remuneration Committee. Mr Rai is currently practicing as an advocate and solicitor with Kalidass Law Corporation. Before embarking on law as a mid-career switch, he was employed as a Principal Assistant Clerk of the Parliament of Singapore for nearly 7 years. During his stint in the Parliament of Singapore, he was primarily involved in rendering advice to Ministries and Members of Parliament on parliamentary law, practice and procedure. Mr Rai served as the Secretary to the Estimates Committee of the 11th Parliament of Singapore and was the Budget Coordinator for Parliament during Budget 2011 and 2012. He was also the Management Representative for Parliament Secretariat in their ISO 9001 certification and recertification drives.

After completing his law degree, Mr Rai was called to the Singapore Bar in May 2018. He had joined a small-sized law firm thereafter, where he was engaged in a mixed-practice, predominantly focused on criminal law. Mr Rai joined Kalidass Law Corporation in April 2021, where he continues to be engaged in a mixed-practice, with a focus on landlord-tenant matters, estate planning matters and criminal law.

CORPORATE INFORMATION

BOARD OF DIRECTORS:

Leong Wing Kong
Independent Chairman

Tan Ah Lye
Executive Director & CEO

Tan Cheng Kwong
Executive Director & Deputy CEO

Tan Cheng Guan
Executive Director

Lim Keng Hoe
Independent Director

Rai Satish
Independent Director

AUDIT & RISK COMMITTEE:

Leong Wing Kong
Chairman

Lim Keng Hoe
Rai Satish

NOMINATING COMMITTEE:

Rai Satish
Chairman

Leong Wing Kong
Lim Keng Hoe

REMUNERATION COMMITTEE:

Lim Keng Hoe
Chairman

Leong Wing Kong
Rai Satish

COMPANY SECRETARIES:

Lee Wei Hsiung, ACS ACG
Hon Wei Ling, ACS ACG

REGISTERED OFFICE:

26 Gul Road
Singapore 629346

SHARE REGISTRAR AND SHARE TRANSFER OFFICE:

Boardroom Corporate & Advisory Services Pte. Ltd.
1 Harbourfront Avenue,
#14-07 Keppel Bay Tower,
Singapore 098632

AUDITORS:

Deloitte & Touche LLP
6 Shenton Way #33-00
OUE Downtown 2
Singapore 068809
Partner-in-charge: Hoe Chi-Hsien
(Appointed since FY2021)

CORPORATE GOVERNANCE REPORT

The Board of Directors (the "**Board**") of Sin Heng Heavy Machinery Limited (the "**Company**" and together with its subsidiaries, the "**Group**") recognises the importance of and is committed to maintaining a high standard of corporate governance. The Company is guided in its corporate governance practices by the Code of Corporate Governance 2018 (the "**Code**") so as to protect shareholders' interests and enhance long-term shareholders' value and corporate transparency. This Corporate Governance Report outlines the Group's corporate governance processes and activities during the financial year ended 31 December 2024 ("**FY2024**") with specific reference to the Code and accompanying Practice Guidance.

Pursuant to Rule 710 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "SGX-ST"), the Board confirms that the Company and the Group, have for FY2024 complied with the principles and provisions as set out in the Code. The Board also confirms that where there are deviations from the principles and/or provisions of the Code, explanations for the deviation and how the Group's practices are consistent with the intent of the relevant principle are provided in the sections below:–

(A) BOARD MATTERS

Board's Conduct of its Affairs

Principle 1: The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company.

The Board is entrusted with the responsibility for the overall strategic direction and management of the Group. The principle duties of the Board include the following:

- Protects and enhances long-term shareholders' value
- Safeguards the shareholders' and other stakeholders' interests and the Company's assets through the enhancement of corporate performance and accountability
- Oversees and approves the formulation of the Group's overall long-term strategic objectives and directions, and sets its values and standards
- Responsible for the Group's overall performance goals financial plans, major investments, divestments and funding proposals
- Reviews the business, operation and financial performance, risk management systems and corporate governance practices
- Ensures the Group comply with all laws and regulations relevant to the Group's business goals

All Directors must objectively discharge their duties and responsibilities at all times as fiduciaries in the best interests of the Company.

CORPORATE GOVERNANCE REPORT

The Board also considers sustainability issues, such as environmental and social factors, as part of its strategic formulation of the Group's objectives and directions. In addition to the foregoing, the Board also approves the policies and guidelines, the management of the Company's (the "**Management**") remuneration and the appointment of Directors.

The Board has adopted a set of internal controls and guidelines for the Management to operate within. These internal controls and guidelines set authorisation and approval limits for operating matters. Apart from matters that specifically require the Board's approval, such as investments, acquisitions, disposals, borrowings, issuance of shares, dividend distributions and other returns to shareholders, the Board approves operational matters where the value of a transaction exceeds these limits or when transactions fall outside the ordinary course of business.

To assist in the execution of its responsibilities, the Board is supported by three (3) committees, namely the Audit and Risk Committee ("**ARC**"), the Nominating Committee ("**NC**") and the Remuneration Committee ("**RC**") (collectively, "**Board Committees**"). Each committee functions within clearly defined terms of reference and operating procedures. The effectiveness of each committee is also constantly reviewed by the Board.The Board conducts regular scheduled meetings on a half-yearly basis. Besides the scheduled Board meetings, the Board also convenes ad-hoc meetings when circumstances require. If necessary, Board meetings may be conducted by way of telephone or video conferencing as permitted under Regulation 116 of the Company's Constitution where all persons participating in the meeting communicate with each other simultaneously and instantaneously.

Formal Board meetings are held at least twice a year to approve the half and full-year results announcements and to oversee the business affairs of the Group. The schedule of all the Board and Board Committees meetings for the calendar year is given to all the Directors well in advance. The Board is free to seek clarifications and information from the Management on all matters under their purview. Ad-hoc meetings are convened at such other times as may be necessary to address any specific significant matters that may arise. Important matters concerning the Group are also put to the Board for its decision by way of formal meetings and/or written resolutions.

The following table sets out the number of Board and Board Committees meetings held during FY2024 and the attendance of each Director at these meetings:

Name of Director	Board	ARC	NC	RC
	Number of Meetings Held: 2	Number of Meetings Held: 2	Number of Meetings Held: 1	Number of Meetings Held: 1
	Meetings Attended	Meetings Attended	Meetings Attended	Meetings Attended
Tan Ah Lye	2	–	–	–
Tan Cheng Guan	2	–	–	–
Tan Cheng Kwong	2	–	–	–
Leong Wing Kong	2	2	1	1
Lim Keng Hoe	2	2	1	1
Rai Satish	2	2	1	1

CORPORATE GOVERNANCE REPORT

Appropriate briefings and orientation are arranged for newly appointed Directors to familiarise them with the Group's business operations, strategic directions, Directors' duties and responsibilities and the corporate governance practices. They are also given opportunities to visit the Group's operational facilities and meet the Management so as to gain a better understanding of the Group's business.

Newly appointed Directors receive appropriate training, if required. The Group provides background information about its history, mission and values to its Directors. For new appointed Directors who do not have prior experience as a director of a public listed company in Singapore, pursuant to the Rule 210(5)(a) of the Listing Rules of **SGX-ST**, the Company arranges for the SGX-ST's prescribed training courses organised by the Singapore Institute of Directors ("**SID**") on the roles and responsibilities of a director of a listed company, or other training institutions in areas such as management, accounting, legal and industry-specific knowledge, where appropriate, in connection with their duties.

In addition, the Management regularly updates and familiarises the Directors on the business activities of the Company during Board meetings. The Directors are encouraged to attend seminars and training programmes, that enables them to keep abreast of the developments and changes, and thereby equipping them with the skills to effectively discharge their Directors' duties and responsibilities. Changes to regulations and accounting standards are also monitored closely by the Management. To keep pace with such regulatory changes, the Company provides opportunities for ongoing education and training on Board processes and best practices as well as updates on changes in legislation and financial reporting standards, regulations and guidelines from the Listing Rules of the SGX-ST that affect the Company and/or the Directors in discharging their duties, and such training will be funded by the Company.

The details of updates, seminars and training programmes attended by the Directors in FY2024 include, amongst others:–

- Updates on developments in financial reporting, where relevant, by the external auditors of the Company;

- Updates on regulatory announcements, guidance and/or amendments to the Listing Rules of the SGX-ST and the Code, where relevant, by the Company Secretary; and

- Changes in the relevant laws and regulations pertaining to the Group's business and changing commercial risks and business conditions of the Group by the Management.

All Directors have unrestricted access to the Company's records and information. From time to time, they are furnished with complete, accurate and adequate information in a timely manner to enable them to be fully cognizant of the decisions and actions of Management.

Detailed Board papers are prepared and circulated to the Directors before each Board meeting. The Board papers include sufficient information on financial, budgets, business and corporate issues to enable the Directors to be properly briefed on issues to be considered at the Board meetings. However, sensitive matters may be tabled at the meeting itself or discussed without any papers being distributed. Managers who can provide additional insight into the matters at hand would be present at the relevant time during the Board meeting.

CORPORATE GOVERNANCE REPORT

The Board receives half-year financial performance results, annual budgets and explanation on material forecasts variances to enable them to oversee the Group's operational and financial performance as well as risks faced by the Group. Directors are also informed on a regular basis as and when there are any significant developments or events relating to the Group's business operations.

The Directors have separate and independent access to Management and the Company Secretaries, who are responsible for ensuring that Board procedures are followed and that applicable rules and regulations are complied, at all times through email, telephone and face-to-face meetings.

The Directors may also liaise with Management as and when required to seek additional information. Any additional materials or information requested by the Directors to make informed decisions is promptly furnished.

The Company Secretaries assists the Chairman and the Chairman of each Board Committee in the development of the agendas for the various Board and Board Committees meetings. The Company Secretaries and/or their representatives attend all the Board and Board Committees meetings and prepares minutes of meetings. The appointment and removal of the Company Secretaries is a decision of the Board as a whole.

Board Composition and Guidance

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.

Presently, the Board comprises three (3) Executive Directors and three (3) Independent Directors:–

Name of Director	**Board**	**ARC**	**NC**	**RC**
Leong Wing Kong	Independent Chairman	Chairman	Member	Member
Tan Ah Lye	Executive Director & Chief Executive Officer ("**CEO**")	–	–	–
Tan Cheng Kwong	Executive Director & Deputy CEO	–	–	–
Tan Cheng Guan	Executive Director	–	–	–
Lim Keng Hoe(1)	Independent Director	Member	Member	Chairman
Rai Satish(2)	Independent Director	Member	Chairman	Member

Notes:

(1) Mr Lim Keng Hoe had stepped down as the Chairman of the Nominating Committee and remains as a member of the Nominating Committee with effect from 1 July 2024.

(2) Mr Rai Satish had been appointed as the Chairman of the Nominating Committee of the Company with effect from 1 July 2024.

CORPORATE GOVERNANCE REPORT

In view of an Independent Director being the Chairman of the Board, the Company has complied with Provision 2.2 of the Code. Although the Non-Executive Directors do not make up a majority of the Board, pursuant to Provision 2.3 of the Code, the Board is of the view that there is an appropriate level of independence with the Independent Directors constituting half of the Board, and diversity of thought and background in its composition to enable the Board to make decisions in the best interests of the Company. In particular, the Independent Directors chairing the ARC, NC and RC as well as the Board have sufficient standing and authority to weigh in on any significant matter. The NC considered the dynamics within the Board and the following matters in deliberating on independence and diversity, and the observation of Principle 2 of the Code.

In view of current Board comprises of three (3) Directors (out of a six (6) member Board) who are Non-Executive Independent Directors, the Company has complied with Rule 210(5)(c) of the Listing Rules of the SGX-ST, which requires the Board to have at least one-third of the Directors who are independent and free of any material business or financial connection with the Company.

The Board assesses the independence of each Director in accordance with the Code and the Listitng Rules of the SGX-ST. The NC considers an "independent" Director as one who has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement in the best interests of the Company.

Each Independent Director is required to complete a confirmation of independence form annually to confirm his independence based on the guidelines set out in the Code and the Listing Rules of the SGX-ST.

The NC has reviewed the forms on confirmation of independence completed by each Independent Director and is satisfied that Mr. Leong Wing Kong, Mr. Lim Keng Hoe and Mr. Rai Satish are independent in accordance with the Provision 2.1 of the Code and Rule 210(5)(d) of the Listing Rules of SGX-ST.

None of the Independent Directors has served on the Board beyond nine (9) years from the date of their first appointments.

The Independent Directors participate actively during Board meetings. The Company has benefited from Management's access to its Directors for guidance and exchange of views both within and outside of the meetings of the Board and Board Committees. The Independent Directors communicate amongst themselves and with the Company's auditors and Senior Management. When necessary, the Company coordinates informal meetings for Independent Directors to meet without the presence of the Executive Directors and/or Management.

The Company has a written board diversity policy which sets out the policy and framework for promoting diversity on the Board and believes that a diverse Board will enhance decision making of the Board by utilising the variety of skills, industry, and business experiences and competencies, gender, age, ethnicity and culture, geographical background and nationalities, tenure of services and other distinguishing qualities. The Company recognises that an effective board requires Directors to possess not only integrity, commitment, relevant experience, qualifications and skills in carrying out their duties effectively but also include diverse background towards promoting good corporate governance.

CORPORATE GOVERNANCE REPORT

In the process of searching for qualified persons to serve on the Board, the NC shall strive for the inclusion of diverse groups and the final decision on selection of directors will be based on merit against the objective criteria set and after giving due regard for the benefits of diversity on the Board. The NC is mindful of related regulatory requirements (including the Listing Rules issued by the SGX-ST, Companies Act 1967 and the 2018 Code), and will give due consideration to characteristics, such as gender, age, ethnicity and geographic representation, which contribute to board diversity.

On an annual basis, the NC has reviewed the size and composition of the Board and Board Committees, which comprises members from different backgrounds whose core competencies, qualifications, skills and experiences, meet with the requirement of the Group. The NC will periodically review the competencies of the Directors to ensure effective governance of the Company and contribution to the Board. All Directors will submit to the NC on an annual basis a completed Board and Board Committees Evaluation Questionnaire (including composition of the Board and Board Committees).

The Board comprises of Directors who possess the core competencies, experience and knowledge in business, finance, legal and management skills critical to the Group's business and that each Director brings to the Board an independent and objective perspective to enable balanced and well-considered decisions to be made.

The NC has reviewed the completed Questionnaire for FY2024, and is satisfied that the Board has the appropriate mix of expertise, experiences, and skills in supporting the attainment of its strategic objectives and sustainable development. Given the current size of the Board and the nature of business, at present, the Board does not propose to set specific diversity targets to be met. Currently, the Board has not set any specific target for gender diversity but will include female candidates, if available, for consideration when identifying candidates to be appointed as new directors. Similarly, the Board does not set any specific target for ethnic diversity, age diversity and age limit for its Directors given that directors are selected based primarily on experience and knowledge and their ability to contribute to the Board. However, the Board will strive to have one (1) member with relevant experience in the Group's businesses or markets, one (1) member with professional qualification in finance and accounting; and one (1) member with professional qualification in legal or other professional background or discipline as may be determined by the Board to be necessary and/or beneficial to the Group. The Board is of the view that, while it is important to promote board diversity in terms of gender, age and ethnicity, criteria based on an effective blend of competencies, skills, experience and knowledge to strengthen the Board should remain a priority. As the NC has assessed the current level of diversity on the Board to be satisfactory, the Company generally does not set concrete timelines for achieving board diversity targets. Instead, the Company takes the approach that maintaining a satisfactory level of diversity as an ongoing process. The targets to achieve diversity on the Board are assessed from time to time, based on the composition of the Board and operations of the Group at the relevant time.

Having considered the scope and nature of the Group's businesses, the requirements of the business and the need to avoid undue disruptions from changes to the composition of the Board and Board Committees, the Board, in concurrence with the NC, is of the view that its current size, as well as the current size and composition of the Board Committees, are appropriate to facilitate effective decision making, and provide sufficient diversity of expertise to lead and govern the Company effectively.

A brief description on the background of each Director is presented on "Board of Directors" section in the Annual Report. The Board, taking into account the NC's views, considers that the current Board provides an appropriate balance and diversity of skills, experiences and knowledge to the Company that will provide effective governance and stewardship for the Group.

CORPORATE GOVERNANCE REPORT

Independent Directors do not exercise executive functions in the Group. Although all the Directors have equal responsibility for the performance of the Group, the role of the Independent Directors is particularly important in ensuring that the strategies proposed by the Management are fully discussed and take into account the long-term interests of not only the shareholders, but also of the employees, customers, suppliers and the communities in which the Group conducts its business and reviewing the performance of the Management in meeting agreed goals and objectives and monitoring the reporting of performance. Board's decisions are undertaken on a unanimous basis and no individual or group is able to dominate the Board's decision-making process. There is also an appropriate balance and diversity of skills and experience on the Board as the presence of the Independent Directors are of calibre necessary to carry sufficient weight in the Board's decisions.

The Company co-ordinates informal meeting sessions for Independent Directors to meet on a need-basis without the presence of the Management to discuss matters such as the Group's financial performance, corporate governance initiatives, Board processes, succession planning as well as leadership development and the remuneration of the Executive Directors.

Chairman and Chief Executive Officer

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

Mr. Leong Wing Kong is the Independent Chairman while Mr. Tan Ah Lye is the Executive Director and CEO of the Company in charge of the overall operations and financial performance of the Company.

The responsibilities of the Independent Chairman include:

- Primarily responsible for the effective working of the Board
- Achieving the Group's vision, overarching strategy and promoting the highest standards of corporate governance
- Leading the Board to ensure its effectiveness on all aspects of its role and setting its agenda
- Scheduling of meetings to enable the Board to perform its duties and responsibilities while not interfering with the flow of the Group's operations
- Promoting a culture of openness and debate at the Board
- Ensuring the Directors receive accurate, timely and clear information and effective communication with shareholders
- Encouraging constructive relations between the Board and Management and facilitating the effective contribution of Non-Executive Directors
- Acting in the best interest of the Group and of the Shareholders

The Company Secretary may be called to assist the Independent Chairman in any of the above.

CORPORATE GOVERNANCE REPORT

As the Chairman of the Board is independent, the appointment of a Lead Independent Director is not necessary. In addition, the Independent Directors, led by the Independent Chairman, meet amongst themselves without the presence of the other Directors, where necessary, and the Independent Chairman will provide feedback to the CEO after such meetings.

Board Membership

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

The NC consists of three (3) Independent Directors, all of whom, including the Chairman, are independent. The NC members are:

Mr. Rai Satish (Chairman)
Mr. Leong Wing Kong
Mr. Lim Keng Hoe

The NC is guided by its written terms of reference which clearly sets out its authority and duties. The NC is responsible for, inter-alia:

(i) reviewing and making recommendations to the Board on all candidates nominated (whether by the Board, shareholders or otherwise) for appointment to the Board and on re-nomination of Directors, taking into account the composition and progressive renewal of the Board and each Director's competencies, commitment, prior contribution and performance;

(ii) making recommendations to the Board on matters relating to the review of Board succession plans for directors, the development of a process for evaluating the performance of the Board, Board Committees and Directors and reviewing of training programmes for the Board;

(iii) determining annually and as and when circumstances require whether or not a Director is independent;

(iv) deciding whether or not a Director with multiple board representations is able to and has been adequately carrying out his duties as a Director;

(v) reviewing training and professional development programs for the Board; and

(vi) evaluating the performance of the Board, Board Committees and contribution of each Director to the effectiveness of the Board.

The NC is responsible for identifying and recommending potential candidates for appointment as directors to the Board. The NC, in consultation with the Board, evaluates and determines the selection criteria so as to identify candidates with the appropriate expertise and experience for the appointment as new director. The selection criterion of the candidate includes integrity, diversity of competencies, background, expertise, knowledge and business experiences which will complement the skills and competencies of the existing Directors on the Board. The candidate must be a person of integrity and must be able to commit sufficient time and attention to the affairs of the Company, especially if he is serving on multiple boards. The NC will ensure that new Directors are aware of their duties and obligations.

CORPORATE GOVERNANCE REPORT

The NC seeks potential candidates widely and beyond directors/management recommendations and may engage consultants to undertake research on, or assess, candidates applying for new positions on the Board, or to engage such other independent experts, as it considers necessary to carry out its duties and responsibilities. Recommendations for new directors are put to the Board for its consideration.

Pursuant to Regulation 89 of the Company's Constitution, at least one-third of the Directors will retire at every AGM. Directors who retire are eligible to offer themselves for re-election. In addition, Regulation 96 of the Company's Constitution provides that a newly appointed Director can only hold office until the next AGM and then be eligible for re-election but shall not be taken into account in determining the number of Directors who are to retire by rotation.

Each member of the NC shall abstain from voting on any resolutions in respect of his re-nomination as a Director.

The NC had recommended to the Board that Mr. Tan Cheng Kwong and Mr. Rai Satish be nominated for re-election pursuant to Regulation 89 of the Company's Constitution at the forthcoming AGM. The Board had accepted the NC's recommendations.

In making the recommendation, the NC has considered the Directors' overall contributions and performance. Each member of the NC shall abstain from making any recommendation and/or participating in any deliberation of the NC in respect of the assessment of their own performance or re-election as a Director.

Mr. Rai Satish, being the Chairman of the NC who is retiring at the forthcoming AGM, abstained from voting on the resolution in respect of his own re-nomination as a Director.

Mr. Tan Cheng Kwong and Mr. Rai Satish have consented for re-election at the forthcoming AGM.

Details of the retiring Directors seeking for re-election at the AGM are set out in pages 44 to 47 of this Annual Report in compliance with the Rule 720(6) of the Listing Rules of the SGX-ST.

The NC reviews the independence of each Director annually in accordance with the definition of independence as set out in the Code and Practice Guidance, and taking into consideration whether the Directors falls under any circumstances pursuant to Rule 210(3)(d) of the Listing Rules of SGX-ST. The Independent Directors have submitted their confirmation of independence annually for the NC's reviews.

For the financial year under review, the NC is of the view that the Independent Directors of the Company are independent (as defined in the Code and Listing Rules of the SGX-ST) and are able to exercise judgement on the corporate affairs of the Group independently from the Management.

All Directors are required to declare their board representations on an annual basis and as soon as practicable after the relevant facts have come to his or her knowledge. Where a Director has multiple board representations, and in considering the nomination of Directors for appointment, the NC will evaluate whether or not the Director is able to and has been adequately carrying out his or her duties as a Director, as well as sufficient time and attention are given to the affairs of the Company, taking into consideration the Director's number of listed company board representations and other principal commitments.

CORPORATE GOVERNANCE REPORT

Although some of the Board members have multiple board representations, the NC, after discussion with the said Directors, is satisfied that sufficient time and attention has been given by the Directors to the Group. In view of this, the Board does not limit the maximum number of listed company board representation its Board members may hold as long as each of the Board members is able to commit his or her time and attention to the affairs of the Company and adequately carrying out his or her duties as a Director. The Board believes that each individual Director is best placed to determine and ensure that he or she is able to devote sufficient time and attention to discharge his or her duties and responsibilities as a Director of the Company, bearing in mind his or her other commitments. The Board and the NC will continue to review from time to time the board representations of each Director to ensure that the Directors continue to meet the demands of the Group and are able to discharge their duties adequately.

There is no alternate director being appointed to the Board.

Board Performance

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its Board Committees and individual directors.

In line with the principles of good corporate governance, the NC has adopted a process to evaluate the performance of the Board as a whole, the Board Committees and individual self-assessment to assess each Director's contribution to the Board's effectiveness on an annual basis. Objective performance criteria used to assess the performance of the Board, Board Committees and individual Directors include both quantitative and qualitative criteria.

All Directors review and evaluate the performance and assess the effectiveness of the Board and Board Committees as a whole and the results of each assessment are considered by the NC, which has the responsibility of assisting the Board in the evaluation of the Board's and Board Committees' effectiveness. Factors such as (1) the structure and size of the Board and Board Committees; (2) the manner in which the Board and Board Committees meetings are conducted; (3) the Board's and Board Committees' accountability; (4) the process to review and approve the corporate strategy and planning; (5) the Board's access to information; and (6) access to the Key Management to ensure the establishment of a risk management system and internal control are applied to evaluate the Board's, Board Committees' and each Director's performance. Each member of the NC abstains from making any recommendations and/or participating in any deliberation of the NC and from voting on any resolution in respect of the assessment of his own performance or re-nomination as a Director. The NC held one (1) meeting during FY2024.

The NC also assesses each individual Director's performance by using those factors including the interactive skills, knowledge, director's duties, availability and overall contribution. The Board and the NC believe that the financial indicators are mainly used to measure the Management's (including Executive Directors') performance and hence are less applicable to the Independent Directors.

In reviewing the overall Board's performance, the NC also took into consideration the Board's ability to monitor Management's achievement of the strategic directions/objectives set and approved by the Board.

CORPORATE GOVERNANCE REPORT

Assessment parameters for Directors' performance include their level of participation at Board and Board Committees meetings and the quality of their contribution to Board processes and the business strategies and performance of the Group. The NC's evaluation of the individual Directors for FY2024 was facilitated with feedback from the NC members on areas relating to the Board's competencies and effectiveness. The results of the evaluation process were used by the NC, in its consultation with Independent Chairman to effect continuing improvements on Board processes.

Based on the summary of the evaluation for FY2024 together with the feedback and recommendations from individual Directors, members of the Board and the respective Board Committees, the NC is of the view that the overall effectiveness of the Board as a whole and the Board Committees, and individual Directors have been satisfactory for the financial year.

Each member of the NC shall abstain from voting on any resolutions in respect of the assessment of his performance.

For FY2024, the NC has not engaged any external facilitator to assist in the assessment of the performance of the Board and the Board Committees.

(B) REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

The RC consists of three (3) Independent Directors, all of whom, including the Chairman, are independent. The RC members are:

Mr. Lim Keng Hoe (Chairman)
Mr. Leong Wing Kong
Mr. Rai Satish

The RC is guided by its written terms of reference which clearly set out its authority and duties. The RC is responsible for, *inter-alia*:

(i) recommending to the Board a framework of remuneration for Directors, CEO, CFO and Key Management Personnel whom the RC may decide from time to time;

(ii) determining specific remuneration packages for each of the Directors, CEO, CFO and Key Management Personnel. Recommendations of the RC are submitted for endorsement by the entire Board. All aspects of remuneration including, but not limited to, directors' fees, salaries, allowances, bonuses, options and benefits-in-kind are covered by the RC. Each member of the RC is required to abstain from voting on any resolutions and making recommendations and/or participating in any deliberations of the RC with respect to his remuneration package. If a member of the RC has an interest in a matter being deliberated by the RC, he is required to abstain from participating in the review and the approval process of the RC in relation to that matter; and

(iii) reviewing and submitting its recommendations for endorsement by the Board, any long term incentive schemes which may be set up from time to time and to do all acts in connection therewith.

No Director will be involved in determining his own remuneration.

CORPORATE GOVERNANCE REPORT

The RC has full authority to obtain any external professional advice on matters relating to remuneration as and when the need arises. The expense of such services shall be borne by the Company. No external professional was engaged by the Company to advise on the executive remuneration in FY2024.

In reviewing the service agreements of the Executive Directors and Key Management Personnel of the Company, the RC will review the Company's obligations arising in the event of termination of these service agreements, to ensure that such service agreements contain fair and reasonable termination clauses which are not overly generous. The RC aims to be fair and avoid rewarding poor performance.

The RC held one (1) meeting during FY2024.

Level and Mix of Remuneration

Principle 7: The level and structure of remuneration of the Board and Key Management Personnel are appropriate to sustained performance and value creation of the Company, taking into account the strategic objectives of the Company.

In setting remuneration packages, the RC takes into account the respective performance of the Group and of each individual. In its deliberation, the RC takes into consideration remuneration packages, employment conditions within the industry and benchmarks against comparable companies.

The RC reviews the service contracts between Executive Directors and the Company to ensure that they are comparable to industry standards before giving its recommendations to the Board.

The RC recognises that the level and structure of remuneration should be aligned with the long-term interests and risk policies of the Company and should be appropriate to attract, retain and motivate the Directors to provide good stewardship of the Company and the Key Management Personnel to successfully manage the Company. The Company links the remuneration paid to the Executive Directors and Key Management Personnel to the Company's and each individual's performance, based on an annual appraisal and using indicators such as core values, competencies, key result areas, performance rating and potential of the employees.

The Independent Directors do not have service agreement with the Company. Directors' fees will be paid or payable to the Independent Directors in accordance with their contributions, taking into account factors such as effort and time spent, responsibilities of the Directors and the need to pay competitive fees to attract, retain and motivate the Directors. The Independent Directors shall not be overcompensated to the extent that their independence may be compromised. The Directors' fees are reviewed and recommended by the RC and endorsed by the Board for shareholders' approval at the AGM of the Company.

Each member of the RC abstains from deliberating on or making recommendations in respect of any proposed amounts to be paid by the Company to him.

The Company does not use contractual provisions to allow the Company to reclaim incentive components of remuneration from Executive Directors and Key Management Personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company. The Executive Directors owe a fiduciary duty to the Company. The Company should be able to avail itself to remedies against the Executive Directors in the event of such breach of fiduciary duties.

CORPORATE GOVERNANCE REPORT

Disclosure on Remuneration

Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationship between remuneration, performance and value creation.

The compensation packages for Executive Directors and the Key Management Personnel comprise a fixed component and a variable component. The fixed component of remuneration for the Executive Directors is based on the service agreements entered between the Company and the Executive Director, and for Key Management Personnel is based on the employment contract with them. Each of our Executive Directors has a service contract that covers a period of three years. The variable component of remuneration for both Executive Directors and Key Management Personnel includes a bonus and a profit sharing incentive which is linked to the Company's and individual's performances to align their interests with the shareholders.

The following table shows a breakdown of the remuneration of the Directors and CEO for FY2024:

	Salary[2] (S$)	Bonus & profit sharing (S$)	Other Benefits (S$)	Directors' Fees[3] (S$)	Total (S$)
Executive Directors:					
Tan Ah Lye	223,650	271,428	4,920	–	499,998
Tan Cheng Kwong (Cheng Qingguang)	377,136	327,528	33,162	–	737,826
Tan Cheng Guan	377,136	241,473	51,291	–	669,900
Non-Executive Directors:					
Leong Wing Kong	–	–	–	58,000	58,000
Lim Keng Hoe	–	–	–	52,000	52,000
Rai Satish	–	–	–	48,000	48,000

The following table shows a breakdown of the remuneration of the Key Management Personnel and Immediate Family Member of Directors or CEO in percentage term for FY2024:

	Salary[2] (%)	Bonus & profit sharing (%)	Other Benefits (%)	Directors' Fees[3] (%)	Total (%)
Key Management Personnel:					
S$500,001 to S$750,000					
Tan Cheng Soon, Don[1]	55	38	7	–	100
S$250,001 to S$500,000					
Yang Yung Kang	54	46	–	–	100

Notes:

(1) Mr. Tan Cheng Soon, Don is an employee of the Group and the son of Executive Director and CEO, Mr. Tan Ah Lye and brother of Executive Directors, Mr. Tan Cheng Guan and Mr. Tan Cheng Kwong (Cheng Qingguang).

(2) Includes Central Provident Fund Contribution.

(3) The Directors' fees are subject to the approval of the shareholders at the forthcoming AGM.

CORPORATE GOVERNANCE REPORT

The Group had identified only two Key Management Personnel for the financial year ended 31 December 2024.

The aggregate remuneration of the top Key Management Personnel (who are not Directors or the CEO) amounted to S$963,904.

For FY2024, there were no termination, retirement or post-employment benefits granted to Directors and relevant Key Management Personnel other than the standard contractual notice period and termination payment in lieu of service.

The Company is of the view that our disclosure in good faith supports both the spirit of the Code and Principle 8 of the Code, and that disclosure in incremental bands of the Key Management Personnel are sufficient and adequate. Any further disclosure could be detrimental to the Group's interests, as it may lead to poaching of Key Management Personnel, or revelation of the Group trade practices or tactics to competitors.

Remuneration of Substantial Shareholder or Immediate Family Members of Director and CEO

Save as disclosed in the table above for Mr. Tan Cheng Soon, Don, there were no other employees who are substantial Shareholders, or are immediate family members of a Director, the CEO or a substantial Shareholder, and whose remuneration exceeded S$100,000 during FY2024.

(C) ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

Principle 9: The Board is responsible for the governance of risk and ensure that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the Company and its shareholders.

The Board acknowledges that it is responsible for establishing, maintaining and reviewing the effectiveness of the Company's overall internal control framework. The Board also recognises that an effective internal control system will not preclude all errors and irregularities, as a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material misstatement or loss.

As part of the ongoing risk management process, the Management will conduct a risk assessment and evaluation periodically, when deemed appropriate, and provide for significant risks to be managed through regular reviews by the Management, the Board Committees and the Board as well as adoption of adequate and cost-effective system of internal controls. The ARC reviews the Group's risk management process established by the Management to ensure that there are adequate and effectiveness of the internal controls in place to manage and mitigate the significant risks identified.

CORPORATE GOVERNANCE REPORT

To ensure adequacy and effectiveness of the internal controls, including financial, operational, compliance and information technology controls, and risk management systems, the following controls and procedures are in place:–

- Company policies and procedures are reviewed periodically;
- Internal audit functions are outsourced to a professional accounting firm. The annual internal audit plan is duly approved by ARC;
- Check and balance with segregation of duties and responsibilities;
- Department reports are reviewed at Management level;
- Approval matrix established are reviewed periodically; and
- Budgetary control and review.

The Board is responsible for the governance of risk and overall internal control framework and is fully aware of the value of a sound system of risk management and internal controls within the Group to safeguard shareholders' interests and the Group's assets, and to manage risks.

As at the date of this Annual Report, the ARC has met with the Key Management Personnel, internal auditors and external auditors to review the internal auditors' and external auditors' audit plans and the adequacy of risk management mechanisms implemented within the Group. The internal auditors report to the ARC on any material weaknesses in the Company's risk management and internal control systems, including financial, operational, compliance and information technology controls. As part of the annual statutory audit on financial statements, the external auditors report to the ARC on any material weakness in internal controls over the areas which are significant to the audit.

For the year under review, the Directors have received assurance from the CEO and CFO that:

a. The financial records have been properly maintained and the financial statements for FY2024 give a true and fair view in all material respects, of the Group's operations and finances; and

b. The Group's internal control and risk management systems are operating adequately and effectively in all material respects given its current business environment.

The Management continues to focus on improving the standard of internal control, corporate governance and the mitigation of high risk areas.

CORPORATE GOVERNANCE REPORT

Based on the internal controls established and maintained by the Group and the statutory audit conducted by the external auditor and reviews performed by management and the ARC, the Board, with the concurrence of the ARC, is of the opinion that the system of internal controls, including financial, operational, compliance and information technology controls and risk management, were adequate and effective as at 31 December 2024 to meet the needs of the Group's existing business objectives, having addressed the risks which the Group considers relevant and material to its operations. While acknowledging their responsibility for the system of internal controls, the Directors are aware that such a system is designed to manage, rather than eliminate risks, and therefore cannot provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors or mis-statements, poor judgement in decision-making, human error, losses, fraud or other irregularities.

Audit and Risk Committee

Principle 10: The Board has an Audit and Risk Committee which discharges its duties objectively.

The ARC consists of three (3) Independent Directors, all of whom, including the Chairman, are independent. The ARC members are:

Mr. Leong Wing Kong (Chairman)
Mr. Lim Keng Hoe
Mr. Rai Satish

The Board is of the view that the members of the ARC are appropriately qualified and possess recent and relevant accounting or related financial management expertise or experience to discharge their responsibilities. All ARC members have many years of experience in accounting, finance and/or legal related expertise and experience. The profile of the members of the ARC can be found on pages 17 to 19 of this Annual Report.

None of the members of the ARC is a former partner or director of the Company's existing audit firm or auditing corporation (a) within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as they have any financial interest in the Company's existing auditing firm or auditing corporation.

In line with the Listing Rules of the SGX-ST, the Board provides a negative assurance statement to the shareholders in respect of the interim financial statements. For the financial year under review, the CEO and the CFO have provided assurance to the Board on the integrity of the Group's financial statements.

In accordance with the terms of reference adopted by the ARC, the duties and powers of the ARC include, *inter alia*:

(i) assisting the Board in the discharge of its responsibilities on financial and accounting matters;

(ii) reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance;

(iii) reviewing with the external auditors on the audit plans, including the nature and scope of the audit before the audit commences, audit report, Management letter and Management's response and evaluate the system of internal controls;

CORPORATE GOVERNANCE REPORT

(iv) reviewing the half-year and full-year announcements on financial statements and ensuring they are in compliance with the requirements of Singapore Financial Reporting Standards (International) before submission to the Board for approval to release;

(v) discussing and resolving problems and concerns, if any, arising from the annual audits, in consultation with the external auditors and internal auditors where necessary;

(vi) meeting with internal auditors and external auditors without the presence of the Management annually, to discuss any problems and concerns they may have;

(vii) reviewing the adequacy, effectiveness, independence, scope and results of the Company's external and internal audit function;

(viii) reviewing assistance given by Management to the internal auditors and external auditors;

(ix) reviewing annually the scope and results of the audit and its cost effectiveness as well as the independence and objectivity of the external auditors;

(x) reviewing the guidelines and procedures of interested person transactions falling within the scope of the SGX-ST Listing Manual;

(xi) reviewing half yearly and annually, the adequacy and effectiveness of the Company's internal control and risk management systems;

(xii) overseeing risk management; and

(xiii) reviewing the independence of and nominating external auditors for re-appointment.

Apart from the duties listed above, the ARC is given the task of commissioning investigations into matters where there is 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 Company's operating results or financial position, and to review its findings.

The ARC has full access to and has the co-operation of the Management, and has been given the resources required for it to discharge its function properly and effectively. It has full discretion to invite any Director or Executive Officer to attend its meetings.

In July 2010, SGX-ST and Accounting and Corporate Regulatory Authority ("**ACRA**") launched the "Guidance to Audit Committees on Evaluation of Quality of Work performed by External Auditors" which aims to facilitate the ARC in evaluating the external auditors. Accordingly, the ARC had evaluated the performance of the external auditors based on the key indicators of audit quality set out in the said Guidance.

CORPORATE GOVERNANCE REPORT

In line with the recommendations by ACRA, Monetary Authority of Singapore and the SGX-ST that the ARC can help to improve transparency and enhance the quality of corporate reporting by providing a commentary on key audit matters ("**KAM**"), the ARC together with the Management had considered the KAM presented by the external auditors. The ARC reviewed the KAM and concurred and agreed with the external auditors and Management on their assessment, judgements and estimates on the KAM reported by the external auditors.

The ARC recommends to the Board on the appointment, reappointment and removal of the external auditors and approval of the remuneration of the external auditors. The ARC has recommended to the Board that Deloitte & Touche LLP be nominated for the re-appointment as external auditors of the Company at the forthcoming AGM.

In appointing auditing firms for the Group, the ARC and the Board are satisfied that the appointment of different auditing firms for its subsidiaries would not compromise the standard and effectiveness of the audit of the Company. The Group has complied with Rules 712, 715 and 716 of the Listing Rules of the SGX-ST in relation to the engagement of its auditors.

The ARC will meet with the external auditors and internal auditors without the presence of the Management, as and when necessary, to review the adequacy of audit arrangement, with emphasis on the scope and quality of their audit, the independence, objectivity and observations of the external auditors and internal auditors. The ARC met with the external auditors without the presence of the Management during the financial year.

The ARC had conducted a review of all non-audit services provided by the auditors and is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors. Fees paid or payable by the Group to the external auditors (and member firms) of the Company for audit services and non-audit services for FY2024 amounted to S$153,000 and S$20,200 respectively.

The ARC is kept updated annually or from time to time on any changes to the accounting and financial reporting standards by the external auditors.

For FY2024, the Company confirms that it is in compliance with Rules 712 and 715 of the Listing Rules of the SGX-ST in relation to the appointment of audit firms for the Group. The ARC and the Board are satisfied with the standards and the effectiveness of the audits performed by the independent external auditors of the subsidiaries and significant associated companies of the Group, other than those of the Company.

The Group has implemented a whistleblowing policy whereby employees can raise their concerns to their immediate Director or manager, the appointed whistleblowing officers, or Chairman of the ARC, Mr. Leong Wing Kong about possible improprieties in matters of financial reporting or other matters which they become aware and to ensure that:

(i) independent investigations are carried out in an appropriate and timely manner;

(ii) the identity of the whistleblower is kept confidential - subject to legal or regulatory requirements;

(iii) appropriate action is taken to correct the weakness in internal controls and policies which allowed the perpetration of fraud and/or misconduct and to prevent a recurrence;

CORPORATE GOVERNANCE REPORT

(iv) administrative, disciplinary, civil and/or criminal actions that are initiated following the completion of investigations are appropriate, balance and fair, while providing reassurance that employees will be protected from reprisals or victimisation for whistle blowing in good faith and without malice; and

(v) the ARC is responsible for oversight and monitoring of whistleblowing and will review the policy and arrangements by which staff of the Company may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters.

As of the date of this Annual Report, there were no reports received through the whistleblowing mechanism.

The current size of the operations of the Group does not warrant the Group to have an in-house internal audit function. The Group outsources its internal audit functions to professional accounting firm, Moore Risk Management Pte. Ltd. ("**Moore Risk Management**") to carry out the internal audit function. The ARC approves the hiring, removal, evaluation and compensation of the internal auditors.

The internal auditors report primarily to the ARC on internal audit matters and the ARC is empowered to review any of the accounting, auditing and financial practices of the Company and the Group. The internal auditors have unfettered access to all the Group's documents, records, properties and personnel, including unrestricted direct access to the ARC.

Moore Risk Management is an affiliated firm of Moore Stephens LLP, a leading accounting and consulting firm that has been established in Singapore for more than 30 years. Moore Risk Management is a member of the Institute of Internal Auditors Singapore ("**IIA**") and staffed with persons with the relevant qualifications and experience, to perform the review and testing of controls of the Group's processes consistent with the International Standards for the Professional Practice of Internal Auditing laid down in the International Professional Practices Framework issued by the IIA.

The internal audit team is headed by Ms. Michelle Chong, a Director of Moore Risk Management and also an Audit Partner of Moore Stephens LLP. Ms. Michelle Chong is a practising member of the Institute of Singapore Chartered Accountants ("**ISCA**") and a member of IIA. She has more than 15 years of audit experience and provides assurance and advisory services, documentation of policies and procedures, SOX compliance and corporate governance review to a number of public-listed companies, MAS-regulated entities and government agencies. Ms. Michelle Chong is assisted by a Manager who directly oversees the engagement team and has more than 6 years of relevant experience.

The ARC is of the view that Moore Risk Management is adequately staffed with persons with relevant qualifications and experience and adheres to professional standards including those promulgated by IIA. The ARC had conducted a review of the internal audit function and based on its review, it has concluded that the internal audit function is adequately resourced, effective and independent.

In accordance with the annual internal audit plan approved by the ARC, the internal auditors conduct internal audit reviews of the Group to assist the Board and the ARC to assess the effectiveness of key internal controls covering financial, operational and compliance on an on-going basis. The internal auditors report independently their findings and recommendations to the ARC. The Management will update the ARC on the implementation status of the remedial action plans.

CORPORATE GOVERNANCE REPORT

(D) SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder rights and conduct of general meetings

Principle 11: The Company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the Company. The Company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

The Company does not practise selective disclosure. In line with the continuous obligations of the Company under the Listing Rules of the SGX-ST and the Companies Act 1967, the Board's policy is that all shareholders should be informed of all major developments that impact the Group via SGXNet on a timely basis.

Shareholders are informed of general meetings through the announcements released to the SGXNet and notices of the general meetings are contained in the Annual Report or circulars are dispatched to all shareholders within the prescribed timeline. These notices are also advertised in a national newspaper. All shareholders are entitled to attend the general meetings and are provided the opportunity to participate in the general meetings. If any shareholder is unable to attend, he/she is allowed to appoint up to two proxies to vote on his/her behalf at the general meeting through proxy forms sent in advance. The Company's Constitution does not provide for the nominee or custodial services to appoint more than two proxies.

On 3 January 2016, the legislation was amended, among other things to allow certain members, defined as "**Relevant Intermediary**" to attend and participate in general meetings without being constrained by the two-proxy requirement. Relevant Intermediary includes corporations holding licences in providing nominee and custodial services and Central Provident Fund ("**CPF**") Board which purchases shares on behalf of the CPF investors.

Each item of special business included in the notice of the general meetings will be accompanied by explanation of the impact of the proposed resolution. Separate resolutions are proposed for each substantially separate issue at general meetings.

The Chairman of the ARC, NC and RC are normally present and available to address questions relating to the work of their respective Board Committees at general meetings. The external auditors are present to assist the Board in addressing any relevant queries raised by the shareholders on matters relating to the audit and the financial statements.

The Company has decided, for the time being, not to implement voting in absentia through mail, electronic mail or fax until security, integrity and other pertinent issues are satisfactorily resolved.

The Company acknowledges that voting by poll in all its general meetings is integral in the enhancement of corporate governance. The Company adheres to the requirements of the Listing Rule of the SGX-ST and the Code, that all resolutions at the Company's general meetings are put to vote by poll. The detailed results of each resolution are announced via SGXNet after the general meetings.

The Company prepares minutes of general meetings that include substantial and relevant comments or queries from Shareholders relating to the agenda of the meeting, and responses from the Board and the Management. These minutes are available to Shareholders on SGX-ST website and the Company's website within one (1) month from the date of the general meetings.

CORPORATE GOVERNANCE REPORT

All Directors, Management, company secretary and external auditors were present at the last AGM held on 30 April 2024 ("2024 AGM"). Save for the 2023 AGM, there were no other general meetings of the Company held during FY2024.

The forthcoming AGM in respect of FY2024 will be convened in a wholly physical format and there will be no option for Shareholders to participate virtually. Please refer to the notice of forthcoming AGM dated 7 April 2025 as set out in this Annual Report for more information on how Shareholders may participate in the forthcoming AGM.

The Group does not have a formal dividend policy at present. The form, frequency and amount of dividends declared each year will take into consideration the Group's profit growth, cash position, cash flow generated from operations, projected capital requirements for business growth and other factors as the Board may deem appropriate. For FY2024, the Company declared and recommended first and final dividend and special dividend of 5.0 Singapore cents per ordinary share, comprising ordinary dividend of 1.0 Singapore cents and special dividend of 4.0 Singapore cents.

Engagement with shareholders

Principle 12: The Company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the Company.

The Company believes in high standard of transparent corporate disclosure and is committed to disclose to its shareholders, the information in a timely and fair manner via SGXNet. Where there is inadvertent disclosure made to a selected group, the Company will make the same disclosure publicly to all others as soon as practicable. Communication is mainly made through:–

- Annual Report and Circulars that are prepared and sent to all shareholders. The Board ensures that these documents include all relevant material information about the Company and the Group, and other disclosures required by the Listing Rules of the SGX-ST, Singapore Companies Act and Singapore Financial Reporting Standards. These documents are available to Shareholders on SGX-ST website and the Company's website;

- Half-yearly financial statements announcements containing a summary of the financial information and affairs of the Group;

- Announcements via SGXNet on matters required by the Listing Rules, amongst which include acquisitions and disposals, corporate actions, sustainability reporting; and

- The Company's website at www.sinheng.com.sg, where shareholders can access information and the corporate profile of the Group.

The Company does not practice selective disclosure. Price sensitive information is first publicly released through SGXNet, before the Company meets with any investors or analysts.

CORPORATE GOVERNANCE REPORT

Presently, the Company does not have an investor policy or protocol in place nor a dedicated investor relations team, as the Board was of the view that the current communication channels are sufficient and cost-effective. The Board's policy is that all Shareholders should be informed simultaneously in an accurate and comprehensive manner regarding all material developments that impact the Group via SGXNet on an immediate basis, in line with the Group's disclosure obligations pursuant to the Listing Rules and the Companies Act 1967. The Company will assess the need to establish an investor policy or protocol or investor relations team as and when it deems necessary.

The AGM is the principal forum for dialogue with Shareholders. The Company recognises the value of feedback from Shareholders. During the general meetings, Shareholders are given ample time and opportunities to air their views and concerns. All the Directors will endeavour to attend the general meetings, and Shareholders will be given the chance to share their thoughts and ideas or ask questions relating to the resolutions to be passed or on other corporate and business issues. Shareholders are provided sufficient time to submit questions after the publication of notice of general meeting and the Company will address these questions timely to accord shareholders with reasonable time to consider matters tabled at the general meetings prior to the closing date and time for the lodgment of the proxy forms.

(E) MANAGING STAKEHOLDERS RELATIONSHIPS

Engagement with stakeholders

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

The Company recognises the vitality on stakeholders engagement for the Company's long-term sustainability. The Company engages with key stakeholders such as customers, suppliers, employees, investors, as well as government and regulators, to align the Company's sustainable approach with their expectations.

The Company and the Group have undertaken a process to determine the economic, environmental, social and governance issues, which are important to these stakeholders. These issues form the materiality matrix upon which targets, performance and progress are reviewed and endorsed by the Board annually.

The Company's approach to the engagement with key stakeholders and materiality assessment were disclosed in the Company's Sustainability Report for FY2024. More details will be disclosed in the standalone Sustainability Report for FY2024. The Company will continue to monitor and improve its engagement to ensure that the best interests of the Company are served.

The Company maintains a corporate website at www.sinheng.com.sg to communicate and engage stakeholders. The website provides annual reports, financial information, stock information, profiles of the Group, and contact details of the Group.

CORPORATE GOVERNANCE REPORT

(F) DEALINGS IN COMPANY'S SECURITIES

In compliance with Rule 1207(19) of the SGX-ST Listing Manual, the Company had adopted a Code of Best Practices to provide guidance to its officers on securities transactions by the Company and its officers.

The Company and its officers are not allowed to deal in the Company's shares during the period commencing one month before the announcement of the Company's half year and full year financial results, and ending on the date of the announcement of the relevant results.

Directors and executives are also expected to observe insider trading laws at all times even when dealing with securities within the permitted trading period, or when they are in possession of unpublished price sensitive information, and they are not to deal in the Company's securities on short-term considerations.

(G) INTERESTED PERSON TRANSACTIONS

The Company has established procedures, tracking and records for the review and approval of the Company's interested person transactions ("**IPTs**") to ensure that these are conducted on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders.

The aggregate value of interested person transactions entered into during FY2024 were as follows:–

	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)		**Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)**	
	FY2024	**FY2023**	**FY2024**	**FY2023**
	S$	**S$**	**S$**	**S$**
Name of Interested Person				
Acquisition of Tady Timber Co Pte Ltd from:				
Tan Ah Lye	910,000	–	–	–
Tan Cheng Guan	195,000	–	–	–
Tan Cheng Soon, Don	195,000	–	–	–

Notes:

1. On 29 October 2024, the Company has acquired a 100% equity interest in Tady Timber Co Pte Ltd ("TTC") for a total cash consideration of S$1,300,000, funded by internal resources.
2. This transaction is an interested person transaction as TTC was previously owned by the Company's Executive Director and CEO (70%), the Company's Executive Director (15%), and the CEO's son (15%).

(H) MATERIAL CONTRACTS

There is no material contract or loan entered into by the Company or any of its subsidiaries involving interests of any Director or controlling shareholder during FY2024.

CORPORATE GOVERNANCE REPORT

PARTICULARS OF DIRECTORS PURSUANT TO THE CODE OF CORPORATE GOVERNANCE AND APPENDIX 7.4.1 OF THE LISTING MANUAL OF SGX-ST

Name of Director	**Tan Cheng Kwong (Cheng Qingguang)**
Date of appointment	1 July 1996
Date of last re-election (if applicable)	29 April 2022
Age	51
Country of principal residence	Singapore
The Board's comments on this re-election (including rationale, selection criteria, and the search and nomination process)	The Board of Directors has accepted and approved the Nominating Committee's recommendation, who has reviewed and considered Mr. Tan ChengKwong's contributions and performance as the Executive Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Executive Mr Tan Cheng Kwong (Cheng Qingguang) is in charge of management and operations of Sin Heng Aerial Lifts Pte. Ltd. and Vietnam operations.
Job title	Executive Director
Professional qualifications	Nil
Working experience and occupation(s) during the past 10 years	Executive Director and Deputy Chief Executive Officer
Shareholding interest in the listed issuer and its subsidiaries	The Company Nil Subsidiaries of the Group Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	The son of the Executive Director and Chief Executive Officer, Mr. Tan Ah Lye, brother of the Executive Director, Mr. Tan Cheng Guan (Cheng Qingguang) and the Director of Operation, Mr. Tan Cheng Soon, Don.

CORPORATE GOVERNANCE REPORT

Name of Director	**Tan Cheng Kwong (Cheng Qingguang)**
Conflict of interest (including any competing business)	None
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes
Other Principal Commitments Including Directorships	***Past (for the last 5 years)*** Directorships Nil Other Principal Commitments Nil ***Present*** Directorships Sin Heng Aerial Lifts Pte Ltd TAL Holdings Pte Ltd TAL United Pte Ltd SH Growth Investment Pte Ltd Other Principal Commitments Nil

CORPORATE GOVERNANCE REPORT

Name of Director	**Rai Satish**
Date of appointment	27 September 2022
Date of last re-election (if applicable)	28 April 2023
Age	46
Country of principal residence	Singapore
The Board's comments on this re-election (including rationale, selection criteria, and the search and nomination process)	The Board of Directors has accepted and approved the Nominating Committee's recommendation, who has reviewed and considered Mr Rai Satish's contributions and performance as the Independent Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive.
Job title	Independent Director, Chairman of the Nominating Committee, a member of the Audit and Risk Committee and the Remuneration Committee
Professional qualifications	Bachelor of Law
Working experience and occupation(s) during the past 10 years	January 2016 – September 2016: Haridass Ho and Partners October 2016 – May 2017: Jacob Mansur and Pillai April 2018 – October 2018: Parliament of Singapore November 2018 – March 2020: Jacob Mansur and Pillai July 2020 – April 2021: Parliament of Singapore April 2021 – Present: Kalidass Law Corporation
Shareholding interest in the listed issuer and its subsidiaries	The Company Direct interest: 10,000 shares Subsidiaries of the Group Nil

CORPORATE GOVERNANCE REPORT

Name of Director	**Rai Satish**
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	None
Conflict of interest (including any competing business)	None
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes
Other Principal Commitments Including Directorships	***Past (for the last 5 years)*** Directorships Nil Other Principal Commitments Nil ***Present*** Directorships Nil Other Principal Commitments Nil

The retiring Directors had responded negative to items (a) to (k) listed in Appendix 7.4.1 of the Listing Manual of SGX-ST.

FINANCIAL CONTENTS

DIRECTORS' STATEMENT

The directors present their statement together with the audited consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2024.

In the opinion of the directors, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 57 to 112 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024, and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts when they fall due.

1 DIRECTORS

The directors of the Company in office at the date of this statement are:

Tan Ah Lye
Tan Cheng Guan
Tan Cheng Kwong
Leong Wing Kong
Lim Keng Hoe
Rai Satish

2 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate.

DIRECTORS' STATEMENT

3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors of the Company holding office at the end of the financial year had no interests in the share capital and debentures of the Company and related corporations as recorded in the register of directors' shareholdings kept by the Company under section 164 of the Companies Act 1967 except as follows:

	Shareholdings registered in name of director		Shareholdings in which directors are deemed to have an interest	
Name of directors and companies in which interests are held	**At beginning of year**	**At end of year**	**At beginning of year**	**At end of year**
The Company				
(Ordinary shares)				
Tan Ah Lye	304,000	304,000	32,273,200	32,273,200
Rai Satish	10,000	10,000	–	–

By virtue of section 7 of the Companies Act 1967, Mr. Tan Ah Lye is deemed to have an interest in all the related corporations of the Company.

The directors' interests in the shares and options of the Company at 21 January 2025 were the same at 31 December 2024.

4 SHARE OPTIONS

(a) Options to take up unissued shares

During the financial year, no options to take up unissued shares of the Company or any corporation in the Group were granted.

(b) Options exercised

During the financial year, there were no shares of the Company or any corporation in the Group issued by virtue of the exercise of an option to take up unissued shares.

(c) Unissued shares under option

At the end of the financial year, there were no unissued shares of the Company or any corporation in the Group under option.

DIRECTORS' STATEMENT

5 AUDIT AND RISK COMMITTEE

The Audit and Risk Committee of the Company, consisting all non-executive directors, is chaired by Mr. Leong Wing Kong, an independent director, and includes Mr. Lim Keng Hoe, an independent director and Mr. Rai Satish, an independent director. The Audit and Risk Committee has met twice since the last Annual General Meeting ("AGM") and has reviewed the following, where relevant, with the executive directors and external and internal auditors of the Company:

a) the audit plans and results of the internal auditors' examination and evaluation of the Group's systems of internal accounting controls;

b) the Group's financial and operating results and accounting policies;

c) the audit plans of the external auditors;

d) the financial statements of the Company and the consolidated financial statements of the Group before their submission to the directors of the Company and external auditors' report on those financial statements;

e) the half-yearly and annual announcements as well as the related press releases on the results and financial position of the Company and the Group;

f) the interested person transactions as specified under Chapter 9 of the SGX-ST Listing Manual Rules;

g) the co-operation and assistance given by the management to the Group's external auditors; and

h) the re-appointment of the external auditors of the Group.

The Audit and Risk Committee has full access to management and has the co-operation of the management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any director and executive officer to attend its meetings. The external and internal auditors have unrestricted access to the Audit and Risk Committee.

The Audit and Risk Committee has recommended to the directors the nomination of Deloitte & Touche LLP for re-appointment as external auditors of the Group at the forthcoming AGM of the Company.

DIRECTORS' STATEMENT

6 AUDITORS

The auditors, Deloitte & Touche LLP, have expressed their willingness to accept re-appointment.

ON BEHALF OF THE DIRECTORS

....

Tan Ah Lye

....

Leong Wing Kong

21 March 2025

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SIN HENG HEAVY MACHINERY LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Sin Heng Heavy Machinery Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 57 to 112.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2024 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and of the changes in equity of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SIN HENG HEAVY MACHINERY LIMITED

Key Audit Matters (Continued)

Key Audit Matters	Our audit performed and responses thereon
Recoverability of trade receivables As at 31 December 2024, the trade receivables of the Group amounted to $13,813,000, representing 21% of the Group's current assets. Management judgement is required in assessing the ultimate realisation of the Group's trade receivables, including the assessment of expected credit losses under SFRS(I) 9 *Financial Instruments*, current creditworthiness and the past collection history of identified debtors. The accounting policy for valuation of trade receivables and the carrying amount of trade receivables is disclosed in Note 8 to the financial statements.	We obtained an understanding of the Group's process over the monitoring of trade receivables and the assessment of loss allowance. We assessed the reasonableness of the Group's historical loss rates and estimates of expected future loss rates, management's assessment of any forward looking macro-economic factors and the eventual expected credit losses in accordance with SFRS(I) 9 *Financial Instruments*, including testing the accuracy of the data used on a sample basis. We also performed analysis of trade receivables aging to identify any significant collection risks and evaluated management's assessment of the recoverability of material aged trade receivables, and the reasonableness of any loss allowance to be made, by considering amongst other factors such as the specific debtor's profile, subsequent cash receipts, past payment history or the ongoing business relationship with the debtors involved. We considered the adequacy and appropriateness of the related disclosures and classifications contained in Note 8 to the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SIN HENG HEAVY MACHINERY LIMITED

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The director's responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

(d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SIN HENG HEAVY MACHINERY LIMITED

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

(e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

(f) Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by the subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Hoe Chi-Hsien.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

21 March 2025

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2024

		Group		Company	
	Note	2024	2023	2024	2023
		$'000	$'000	$'000	$'000
ASSETS					
Current assets					
Cash and bank balances	7	**47,855**	44,638	**19,289**	22,310
Trade receivables	8	**13,813**	11,735	**14,668**	12,469
Other receivables and prepayments	9	**477**	1,238	**350**	2,223
Inventories	10	**2,633**	3,990	**1,852**	2,572
Lease receivables	12	**–**	–	**80**	176
Derivative financial instruments	17	**1**	–	**3**	–
Total current assets		**64,779**	61,601	**36,242**	39,750
Non-current assets					
Property, plant and equipment	11	**55,022**	61,838	**43,192**	48,440
Right-of-use assets	12	**3,151**	3,332	**3,079**	3,173
Investment in subsidiaries	13	**–**	–	**9,014**	10,357
Financial assets at fair value through profit or loss	14	**265**	349	**265**	349
Financial assets at fair value through other comprehensive income (FVTOCI)	15	**1,190**	700	**1,190**	700
Other assets	16	**1,296**	10	**10**	10
Total non-current assets		**60,924**	66,229	**56,750**	63,029
Total assets		**125,703**	127,830	**92,992**	102,779

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2024

	Note	Group 2024 $'000	Group 2023 $'000	Company 2024 $'000	Company 2023 $'000
LIABILITIES AND EQUITY					
Current liabilities					
Derivative financial instruments	17	**–**	2	**–**	2
Trade payables	18	**875**	1,044	**8,443**	12,045
Other payables	19	**4,291**	4,689	**3,928**	4,463
Lease liabilities	20	**2,499**	2,914	**2,499**	2,914
Income tax payable		**693**	1,308	**50**	421
Total current liabilities		**8,358**	9,957	**14,920**	19,845
Non-current liabilities					
Lease liabilities	20	**3,308**	5,806	**3,308**	5,806
Deferred tax liabilities	21	**6,497**	5,864	**4,590**	4,150
Total non-current liabilities		**9,805**	11,670	**7,898**	9,956
Capital and reserves					
Share capital	22	**41,846**	41,846	**41,846**	41,846
Retained earnings		**77,590**	76,809	**30,448**	33,270
Treasury shares	23	**(2,810)**	(2,338)	**(2,810)**	(2,338)
Translation reserves		**(8,853)**	(9,391)	**–**	–
Capital reserve		**(923)**	(923)	**–**	–
Fair value reserve		**690**	200	**690**	200
Total equity attributable to owners of the Company		**107,540**	106,203	**70,174**	72,978
Total equity		**107,540**	106,203	**70,174**	72,978
Total liabilities and equity		**125,703**	127,830	**92,992**	102,779

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2024

	Note	Group 2024 $'000	Group 2023 $'000
Revenue	24	**50,281**	66,230
Cost of sales		**(33,562)**	(47,798)
Gross profit		**16,719**	18,432
Other operating income	25	**1,938**	2,979
Selling expenses		**(448)**	(396)
Administrative expenses		**(10,216)**	(10,473)
Other operating expenses	26	**(314)**	(384)
Reversal of impairment loss (Impairment loss) on financial assets	8	**1**	(201)
Finance costs	27	**(188)**	(183)
Profit before income tax		**7,492**	9,774
Income tax expense	28	**(1,225)**	(1,779)
Profit for the year attributable to owners of the Company		**6,267**	7,995
Earnings per share (cents):			
Basic and diluted	30	**5.75**	7.12
Profit for the year	29	**6,267**	7,995
Other comprehensive income (loss):			
Item that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		**538**	(1,016)
Item that will not be reclassified subsequently to profit or loss			
Fair value gain arising on financial assets designated as at FVTOCI		**490**	200
Other comprehensive income (loss) for the year, net of tax		**1,028**	(816)
Total comprehensive income for the year attributable to owners of the Company		**7,295**	7,179

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2024

	Note	Share capital $'000	Treasury shares $'000	Translation reserves $'000	Capital reserve $'000	Fair value reserve $'000	Retained earnings $'000	Attributable to equity holders of the Company $'000	Total $'000
Group									
Balance at 1 January 2023		41,846	(591)	(8,375)	(923)	–	72,783	104,740	104,740
Total comprehensive income (loss) for the year:									
Profit for the year		–	–	–	–	–	7,995	7,995	7,995
Other comprehensive (loss) income for the year		–	–	(1,016)	–	200	–	(816)	(816)
Total		–	–	(1,016)	–	200	7,995	7,179	7,179
Transactions with owners, recognised directly in equity									
Dividends paid	31	–	–	–	–	–	(3,969)	(3,969)	(3,969)
Repurchase of shares	23	–	(1,747)	–	–	–	–	(1,747)	(1,747)
Total		–	(1,747)	–	–	–	(3,969)	(5,716)	(5,716)
Balance at 31 December 2023		41,846	(2,338)	(9,391)	(923)	200	76,809	106,203	106,203
Total comprehensive income for the year:									
Profit for the year		–	–	–	–	–	6,267	6,267	6,267
Other comprehensive income for the year		–	–	538	–	490	–	1,028	1,028
Total		–	–	538	–	490	6,267	7,295	7,295
Transactions with owners, recognised directly in equity									
Dividends paid	31	–	–	–	–	–	(5,486)	(5,486)	(5,486)
Repurchase of shares	23	–	(472)	–	–	–	–	(472)	(472)
Total		–	(472)	–	–	–	(5,486)	(5,958)	(5,958)
Balance at 31 December 2024		**41,846**	**(2,810)**	**(8,853)**	**(923)**	**690**	**77,590**	**107,540**	**107,540**

STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2024

	Note	Share capital $'000	Treasury shares $'000	Fair value reserve $'000	Retained earnings $'000	Total $'000
Company						
Balance at 1 January 2023		41,846	(591)	–	34,502	75,757
Total comprehensive income for the year:						
Profit for the year		–	–	–	2,737	2,737
Other comprehensive income for the year		–	–	200	–	200
Total		–	–	200	2,737	2,937
Transactions with owners, recognised directly in equity						
Dividends paid	31	–	–	–	(3,969)	(3,969)
Repurchase of shares	23	–	(1,747)	–	–	(1,747)
Total		–	(1,747)	–	(3,969)	(5,716)
Balance at 31 December 2023		41,846	(2,338)	200	33,270	72,978
Total comprehensive income for the year:						
Profit for the year		–	–	–	2,664	2,664
Other comprehensive income for the year		–	–	490	–	490
Total		–	–	490	2,664	3,154
Transactions with owners, recognised directly in equity						
Dividends paid	31	–	–	–	(5,486)	(5,486)
Repurchase of shares	23	–	(472)	–	–	(472)
Total		–	(472)	–	(5,486)	(5,958)
Balance at 31 December 2024		**41,846**	**(2,810)**	**690**	**30,448**	**70,174**

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2024

	Note	Group 2024 $'000	Group 2023 $'000
Operating activities			
Profit before income tax		**7,492**	9,774
Adjustments for:			
Depreciation of property, plant and equipment		**6,016**	6,452
Depreciation of right-of-use assets		**181**	272
(Reversal of impairment loss) Impairment loss on financial assets		**(1)**	201
Interest expense		**188**	183
Interest income		**(1,316)**	(1,120)
Net unrealised foreign exchange gain		**(22)**	(12)
Bad debts written off		**–**	86
Bad non-trade debts written off		**39**	–
Property, plant and equipment written off		**43**	90
Gain on disposal of property, plant and equipment		**(327)**	(1,291)
Fair value changes on derivative financial instruments		**(3)**	(136)
Fair value changes arising on financial assets designated as at FVTPL		**76**	81
Operating cash flows before movements in working capital		**12,366**	14,580
Trade receivables		**(2,091)**	(2,753)
Other receivables and prepayments		**768**	876
Inventories		**4,915**	15,157
Trade payables		**(169)**	57
Other payables		**(400)**	1,658
Cash generated from operations		**15,389**	29,575
Income tax paid		**(1,215)**	(1,335)
Purchase of property, plant and equipment	B	**(2,270)**	(17,518)
Net cash from operating activities		**11,904**	10,722
Investing activities			
Interest received		**1,316**	1,120
Purchase of property, plant and equipment	B	**(447)**	(5,580)
Purchase of financial assets designated as at FVTOCI		**–**	(500)
Purchase of other assets		**(1,286)**	–
Proceeds from disposal of property, plant and equipment		**351**	5,849
Proceeds from disposal of financial assets designated as at FVTPL		**8**	1,800
Bank fixed deposits	A	**(19,135)**	–
Net cash (used in) from investing activities		**(19,193)**	2,689

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2024

	Note	Group 2024 $'000	Group 2023 $'000
Financing activities			
Bills payable		–	(1,135)
Interest paid		**(188)**	(183)
Proceeds from hire purchase facilities		–	3,328
Repayment of lease liabilities		**(2,913)**	(2,878)
Purchase of treasury shares		**(472)**	(1,747)
Dividends paid		**(5,486)**	(3,969)
Net cash used in financing activities		**(9,059)**	(6,584)
Net (decrease) increase in cash and cash equivalents		**(16,348)**	6,827
Cash and cash equivalents at beginning of year		**44,638**	38,051
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies		**430**	(240)
Cash and cash equivalents at end of year	7	**28,720**	44,638

Note A

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprised:

	Group 2024 $'000	Group 2023 $'000
Cash at banks and on hand	**16,870**	9,632
Bank fixed deposits	**30,985**	35,006
Cash and bank balances (Note 7)	**47,855**	44,638
Less: Bank fixed deposits with maturity of more than 3 months to 1 year	**(19,135)**	–
Cash and cash equivalents presented in the statement of cash flows	**28,720**	44,638

Note B

During the financial year ended 31 December 2024, the Group acquired property, plant and equipment (including inventory that were purchased and transferred to property, plant and equipment in the current year) with an aggregate cost of $2,717,000 (2023: $23,098,000) for which $Nil (2023: $3,328,000) were acquired with corresponding lease liabilities (Note 20).

NOTES TO FINANCIAL STATEMENTS

31 December 2024

1 GENERAL

The Company (Registration No. 198101305R) is incorporated in Singapore with its registered office and principal place of business at 26 Gul Road, Singapore 629346. The Company was listed on the Singapore Exchange Securities Trading Limited on 3 February 2010.

The principal activities of the Company are those of hiring and dealing in cranes and heavy machinery and provision of facilities and custody services.

The principal activities of the subsidiaries are disclosed in Note 13 to the financial statements.

The consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the year ended 31 December 2024 were authorised for issue by the Board of Directors on 21 March 2025.

1.1 BASIS OF PREPARATION

The financial statements have been prepared on the historical cost basis, except as disclosed in the material accounting policy information in Note 2, and are drawn up in accordance with the provisions of the Companies Act 1967 and Singapore Financial Reporting Standards (International) ("SFRS(I)s"). The financial statements are expressed in Singapore dollars (its functional currency).

1.2 ADOPTION OF NEW AND REVISED STANDARDS

In the current year, the Group and the Company have applied all the new and revised SFRS(I) Accounting Standards that are mandatorily effective for an accounting period that begins on or after 1 January 2024. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements except as below.

Amendments to SFRS(I) 1-1: *Classification of Liabilities as Current or Non-current*

The Group has adopted the amendments to SFRS(I) 1-1, published in May 2020, for the first time in the current year.

The amendments affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

NOTES TO FINANCIAL STATEMENTS

31 December 2024

1 GENERAL (CONTINUED)

1.2 ADOPTION OF NEW AND REVISED STANDARDS (CONTINUED)

Amendments to SFRS(I) 1-1: *Non-current Liabilities with Covenants*

The Group has adopted the amendments to SFRS(I) 1-1, published in December 2022, for the first time in the current year.

The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or non-current). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date).

The right to defer settlement of a liability for at least twelve months after the reporting date is not affected if an entity only has to comply with a covenant after the reporting period. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

2 MATERIAL ACCOUNTING POLICY INFORMATION

Subsidiaries

Subsidiaries are entities controlled by the Group. Control is achieved when the Group has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee, and has the ability to use its power to affect its returns. Details of the Group's significant subsidiaries and composition of the Group are disclosed in Note 13.

Basis of consolidation

The consolidated financial statements of the Group incorporate the financial statements of the Company and its subsidiaries. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. When necessary, adjustments are made to the financial statements of subsidiaries to align their accounting policies with the those of the Group. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation. Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions.

NOTES TO FINANCIAL STATEMENTS

31 December 2024

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Subsidiaries (Continued*)*

Basis of consolidation (Continued)

Non-controlling interests in subsidiaries are identified separately from the Group's equity and are initially measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Subsequent to the acquisition date, the carrying amounts of non-controlling interests are adjusted for the non-controlling interests' share of changes in equity. Losses are attributed to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Company's separate financial statements

Investments in subsidiaries in the Company's separate financial statements are carried at cost less any impairment in net recoverable value that has been recognised in profit or loss.

Foreign currency transactions and translation

The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are presented in Singapore dollars, which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the respective Group entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognised in profit or loss in the period in which they arise.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the reporting date. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a foreign exchange translation reserve (attributed to non-controlling interests as appropriate).

Upon the disposal of the entire interest in a foreign operation during the year, all of the exchange differences accumulated in the foreign exchange translation reserve in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

NOTES TO FINANCIAL STATEMENTS

31 December 2024

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for leasing transactions that are within the scope of SFRS(I) 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in SFRS(I) 1-2 *Inventories* or value in use in SFRS(I) 1-36 *Impairment of Assets*.

Fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

2) Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

3) Level 3 inputs are unobservable inputs for the asset or liability.

Financial instruments

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis.

Financial assets are initially measured at fair value (except for trade receivables that do not have a significant financing component which are measured at transaction price), net of transaction costs that are directly attributable to the acquisition or issue of financial assets (other than those at fair value through profit or loss). Transaction costs directly attributable to the acquisition or issue of financial assets at fair value through profit or loss are recognised immediately in profit or loss.

NOTES TO FINANCIAL STATEMENTS

31 December 2024

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Financial assets (Continued)

Classification of financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost, FVTOCI or FVTPL based on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

The Group classifies its financial assets in the following measurement categories. The basis of classification and subsequent measurement of the financial assets are further described in the respective notes.

Measurement category	**Criteria**	**Financial assets**
Financial assets at amortised cost	Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding ("SPPI")	Cash and cash equivalents (Note 7) Trade receivables (Note 8) Other receivables (Note 9) Lease receivables (Note 12)
Equity instruments designated as at FVTOCI	On initial recognition of certain equity instruments that are not held for trading, the Group has made an irrevocable election (on an instrument-by-instrument basis) to present subsequent changes in the instruments' fair value in other comprehensive income	Unlisted shares (Note 15)
Financial assets at FVTPL	Financial assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL	Quoted equity shares (Note 14)

NOTES TO FINANCIAL STATEMENTS

31 December 2024

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Financial assets (Continued)

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("ECL") on trade receivables and other receivables, and other debt instruments that are measured at amortised cost or at FVTOCI.

The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial asset. The ECL incorporates forward-looking information and is a probability-weighted estimate of the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. Details about the Group's credit risk management and impairment policies are disclosed in Note 4.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

NOTES TO FINANCIAL STATEMENTS

31 December 2024

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Financial liabilities and equity (Continued)

Financial liabilities at amortised cost

Financial liabilities at amortised cost include trade payables and other payables. These are initially measured at fair value, net of transaction costs that are directly attributable to the acquisition or issue of the financial liabilities, and are subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Capital reserve

Capital reserve represents effects of changes in ownership interests in subsidiaries when there is no change in control.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

3.1 CRITICAL JUDGEMENTS IN APPLYING THE GROUP'S MATERIAL ACCOUNTING POLICIES

Management is of the opinion that there are no critical judgements involved that have a significant effect on the amounts recognised in the financial statements, except for those involving estimation uncertainties as disclosed below.

3.2 KEY SOURCES OF ESTIMATION UNCERTAINTY

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

- Note 8 "Trade receivables": *Allowance for trade receivables*
- Note 10 "Inventories": *Allowance for inventories*
- Note 11 "Property, plant and equipment": *Impairment of cranes and aerial lifts classified as property, plant and equipment*

NOTES TO FINANCIAL STATEMENTS

31 December 2024

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL STRUCTURE

(a) *Categories of financial instruments*

The following table sets out the categories of financial instruments as at the end of the reporting period:

	Group		Company	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
Financial assets				
Financial assets at amortised cost	**61,800**	57,129	**34,183**	36,986
Financial assets measured at FVTPL	**265**	349	**265**	349
Financial assets measured at FVTOCI	**1,190**	700	**1,190**	700
Derivative instruments not designated in hedge accounting relationships	**1**	–	**3**	–
	63,256	58,178	**35,641**	38,035
Financial liabilities				
Financial liabilities at amortised cost	**4,831**	5,733	**12,120**	16,508
Lease liabilities	**5,807**	8,720	**5,807**	8,720
Derivative instruments not designated in hedge accounting relationships	**–**	2	**–**	2
	10,638	14,455	**17,927**	25,230

(b) *Financial risk management policies and objectives*

The financial risk management of the Group is handled by management of the Company as part of the operations of the Group. Management seeks to mitigate risk through monitoring of exposures to financial risks arising on the normal course of operations. The Group may enter into foreign exchange forward contracts to mitigate its foreign exchange exposure from time to time.

(i) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted procedures in extending credit terms to customers and in monitoring its credit risk.

The credit policy sets out the guidelines on extending credit terms to customers, including assessment and valuation of customers' credit reliability and periodic review of their financial status to determine credit limits to be granted.

NOTES TO FINANCIAL STATEMENTS

31 December 2024

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL STRUCTURE (CONTINUED)

(b) Financial risk management policies and objectives (Continued)

(i) Credit risk management (Continued)

Of the trade receivables balance at the end of the year, $7.9 million (2023: $6.2 million) is due from 3 of the Group's largest debtors. Apart from this, the Group does not have significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are related entities. Concentration of credit risk related to the 3 customers did not exceed 20% of gross monetary assets at any time during the year. Concentration of credit risk to any other counterparty did not exceed 5% of gross monetary assets at any time during the year. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

As at 31 December 2024, the Group's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties and financial guarantees provided by the Group arises from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

The Group develops and maintains its credit risk gradings to categorise exposures according to their degree of risk of default. The Group uses its trading records to rate its major customers and other debtors. The Group does not hold collateral to cover its credit risks associated with its financial assets.

The Group's current credit risk grading framework comprises the following categories:

Category	**Description**	**Basis for recognising expected credit losses (ECL)**
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL (other than trade receivables without significant financing component)
Doubtful	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired
In default	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery.	Amount is written off

NOTES TO FINANCIAL STATEMENTS

31 December 2024

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL STRUCTURE (CONTINUED)

(b) Financial risk management policies and objectives (Continued)

(i) Credit risk management (Continued)

The tables below detail the credit quality of the Group's trade and other receivables, as well as maximum exposure to credit risk by credit risk rating grades:

	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount $'000	Loss allowance $'000	Net carrying amount $'000
Group						
2024						
Trade receivables	8	**(*)**	**Lifetime ECL (simplified approach)**	**14,824**	**(1,011)**	**13,813**
Deposits	9	**Performing**	**12-month ECL**	**39**	**–**	**39**
Sundry debtors	9	**Performing**	**12-month ECL**	**127**	**–**	**127**
					(1,011)	
2023						
Trade receivables	8	(*)	Lifetime ECL (simplified approach)	12,750	(1,015)	11,735
Deposits	9	Performing	12-month ECL	328	–	328
Sundry debtors	9	Performing	12-month ECL	452	–	452
					(1,015)	

NOTES TO FINANCIAL STATEMENTS

31 December 2024

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL STRUCTURE (CONTINUED)

(b) Financial risk management policies and objectives (Continued)

(i) Credit risk management (Continued)

	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount $'000	Loss allowance $'000	Net carrying amount $'000
Company						
2024						
Trade receivables	8	**(*)**	**Lifetime ECL (simplified approach)**	**15,259**	**(591)**	**14,668**
Deposits	9	**Performing**	**12-month ECL**	**35**	**–**	**35**
Sundry debtors	9	**Performing**	**12-month ECL**	**71**	**–**	**71**
Advances to subsidiaries	9	**Performing**	**12-month ECL**	**40**	**–**	**40**
					(591)	
2023						
Trade receivables	8	(*)	Lifetime ECL (simplified approach)	13,062	(593)	12,469
Deposits	9	Performing	12-month ECL	55	–	55
Sundry debtors	9	Performing	12-month ECL	7	–	7
Advances to subsidiaries	9	Performing	12-month ECL	1,955	–	1,955
					(593)	

(*) For trade receivables, the Group has applied the simplified approach in SFRS(I) 9 to measure the loss allowance at lifetime ECL. The Group and the Company determine the expected credit losses on these items based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Note 8 include further details on the loss allowance for these receivables.

(ii) Interest rate risk management

The Group's and Company's exposure to changes in interest rates relates primarily to interest-bearing lease liabilities as disclosed in Note 20 for which interest rates are fixed.

No sensitivity analysis is prepared as the Group and the Company does not expect any material effect on the Group's and Company's profit or loss and equity arising from the effects of reasonably possible changes to interest rates on interest-bearing financial instruments at the end of the reporting period.

NOTES TO FINANCIAL STATEMENTS

31 December 2024

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL STRUCTURE (CONTINUED)

(b) *Financial risk management policies and objectives (Continued)*

(iii) Foreign currency risk management

The Group operates internationally, giving rise to market risk from changes in foreign exchange risks. As far as possible, the Group relies on natural hedge of matching foreign currency denominated assets and liabilities of the same currency. The Group may enter into foreign exchange forward contracts to mitigate its foreign exchange exposure from time to time.

The carrying amounts of significant monetary assets and monetary liabilities denominated in currencies other than the respective Group entities' functional currencies, are as follows:

	Group				Company			
	Assets		Liabilities		Assets		Liabilities	
	2024	2023	2024	2023	2024	2023	2024	2023
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Japanese yen	**6,227**	226	**110**	210	**6,227**	226	**110**	210
Singapore dollar	**197**	11	**–**	–	**–**	–	**–**	–
United States dollar	**4,501**	5,139	**15**	15	**27**	974	**–**	–

Foreign currency sensitivity

The following table details the sensitivity to a 10% increase and decrease in the relevant foreign currencies against the functional currency of each Group entity. The 10% sensitivity rate used, represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates.

If the relevant foreign currency weakens by 10% against the functional currency of each Group entity, profit for the year will increase (decrease) by:

	Group		Company	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Impact arising from				
Japanese yen	**(612)**	(2)	**(612)**	(2)
Singapore dollar	**(20)**	(1)	**–**	–
United States dollar	**(449)**	(512)	**(3)**	(97)

If the relevant foreign currency strengthens by 10% against the functional currency of each Group entity, profit for the year will decrease (increase) by the same amounts.

NOTES TO FINANCIAL STATEMENTS

31 December 2024

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL STRUCTURE (CONTINUED)

(b) *Financial risk management policies and objectives (Continued)*

(iv) Liquidity risk management

Liquidity risk refers to the risk in which the Group may not be able to meet its short-term obligations. The Group maintains sufficient cash and cash equivalents and internally generated cash flows to finance their activities. The Group has adequate credit facilities to meet all its operational requirements.

Liquidity and interest risk analyses

Non-derivative financial liabilities

The following table details the Group's contracted maturities for non-derivative financial liabilities. The table below has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which is not included in the carrying amount at the financial liability at the end of the reporting period.

	Weighted average effective interest rate %	Repayable on demand or within 1 year $'000	Within 2 to 5 years $'000	After 5 years $'000	Adjustment $'000	Total $'000
Group						
2024						
Non-interest bearing	**–**	**5,166**	**–**	**–**	**–**	**5,166**
Lease liabilities (fixed rate)	**3.00**	**2,653**	**1,146**	**2,189**	**(181)**	**5,807**
		7,819	**1,146**	**2,189**	**(181)**	**10,973**
2023						
Non-interest bearing	–	5,733	–	–	–	5,733
Lease liabilities (fixed rate)	3.00	3,102	3,636	3,680	(1,698)	8,720
		8,835	3,636	3,680	(1,698)	14,453
Company						
2024						
Non-interest bearing	**–**	**5,733**	**–**	**–**	**–**	**5,733**
Lease liabilities (fixed rate)	**3.00**	**2,653**	**1,146**	**2,189**	**(181)**	**5,807**
		8,386	**1,146**	**2,189**	**(181)**	**11,540**
2023						
Non-interest bearing	–	16,508	–	–	–	16,508
Lease liabilities (fixed rate)	3.00	3,102	3,636	3,680	(1,698)	8,720
		19,610	3,636	3,680	(1,698)	25,228

NOTES TO FINANCIAL STATEMENTS

31 December 2024

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL STRUCTURE (CONTINUED)

(b) Financial risk management policies and objectives (Continued)

(iv) Liquidity risk management (Continued)

Liquidity and interest risk analyses (Continued)

Non-derivative financial assets

All the non-derivative financial assets are repayable within one year and non-interest bearing (Notes 8 and 9), except for short-term interest on cash balances (Note 7), financial assets at FVTPL (Note 14) and financial assets at FVTOCI (Note 15) which are relatively insignificant to the Group and the Company.

Derivative financial instruments

The Group and Company's derivative financial instruments comprise foreign exchange forward contracts amounting to an asset of $1,000 (2023: a liability of $2,000) (Note 17).

(v) Fair value of financial assets and financial liabilities

The carrying amounts of cash and cash equivalents, receivables and payables approximate their respective fair values due to the relatively short-term maturity of these financial instruments. The fair values of other classes of financial assets and financial liabilities are disclosed in the respective notes to financial statements.

The fair value of financial assets with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.

The Group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following level:

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

(b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and

(c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

NOTES TO FINANCIAL STATEMENTS

31 December 2024

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL STRUCTURE (CONTINUED)

(b) Financial risk management policies and objectives (Continued)

(v) Fair value of financial assets and financial liabilities (Continued)

There was no transfer between Level 1 and Level 2 of the fair value hierarchy in the period.

	Fair value hierarchy as at 31 December 2024			
	Total	**Level 1**	**Level 2**	**Level 3**
	$'000	**$'000**	**$'000**	**$'000**
Group				
Financial assets				
Financial assets at fair value through profit or loss (Note 14)	**265**	**265**	–	–
Financial assets at fair value through other comprehensive income (Note 15)	**1,190**	–	–	**1,190**
Derivative financial instruments (Note 17)	**1**	–	**1**	–
	1,456	**265**	**1**	**1,190**
Company				
Financial assets				
Financial assets at fair value through profit or loss (Note 14)	**265**	**265**	–	–
Financial assets at fair value through other comprehensive income (Note 15)	**1,190**	–	–	**1,190**
Derivative financial instruments (Note 17)	**3**	–	**3**	–
	1,458	**265**	**3**	**1,190**

NOTES TO FINANCIAL STATEMENTS

31 December 2024

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL STRUCTURE (CONTINUED)

(b) Financial risk management policies and objectives (Continued)

(v) Fair value of financial assets and financial liabilities (Continued)

	Fair value hierarchy as at 31 December 2023			
	Total	**Level 1**	**Level 2**	**Level 3**
	$'000	**$'000**	**$'000**	**$'000**
Group and Company				
Financial assets				
Financial assets at fair value through profit or loss (Note 14)	349	349	–	–
Financial assets at fair value through other comprehensive income (Note 15)	700	–	–	700
	1,049	349	–	700
Financial liabilities				
Derivative financial instruments (Note 17)	2	–	2	–

(c) Capital management policies and objectives

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consisted of debts (which include lease liabilities as disclosed in Note 20) and equity attributable to equity holders of the Company, comprising issued share capital, retained earnings and reserves.

As a part of the review of capital structure, management considers the cost of capital and the risks associated with each source of financing. The management of capital structure includes making decisions relating to payment of dividends and the redemption of any existing loans. The Group's overall strategy remains unchanged from 2023.

NOTES TO FINANCIAL STATEMENTS

31 December 2024

5 RELATED COMPANY TRANSACTIONS

Related companies in these financial statements refer to members of the Company's group of companies.

Some of the Company's transactions and arrangements are between members of the Group and the effect of these on the basis determined between the parties is reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand unless stated otherwise.

	Group	
	2024	**2023**
	$'000	**$'000**
Acquisition of Tidy Timber Co Pte Ltd from related parties:		
Tan Ah Lye	**910**	–
Tan Cheng Guan	**195**	–
Tan Cheng Soon, Don	**195**	–
	1,300	–

6 OTHER RELATED PARTY TRANSACTIONS

Some of the Group's transactions and arrangements and terms thereof are with related parties and the effect of these on the basis determined between the parties is reflected in these financial statements.

Compensation of directors and key management personnel

The remuneration of directors and other members of key management are as follows:

	Group	
	2024	**2023**
	$'000	**$'000**
Short-term benefits	**2,955**	3,264
Post-employment benefits	**74**	75
	3,029	3,339

The remuneration of directors and key management is determined by the remuneration committee having regard the performance of individuals and market trends.

NOTES TO FINANCIAL STATEMENTS

31 December 2024

7 CASH AND BANK BALANCES

	Group		Company	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
Cash at bank	**16,845**	9,606	**14,273**	7,773
Cash on hand	**25**	26	**4**	3
Fixed deposits	**30,985**	35,006	**5,012**	14,534
	47,855	44,638	**19,289**	22,310

As at 31 December 2024, fixed deposits bore interest from 2.5% to 4.75% per annum (2023: 2.65% to 5.05% per annum).

Material accounting policy information

Cash and bank balances comprise cash on hand and at bank and fixed deposits held by the Group. The fixed deposits can be readily converted into cash with minimal charges and is subject to an insignificant risk of changes in value. Cash and bank balances are subsequently measured at amortised cost.

8 TRADE RECEIVABLES

	Group		Company	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
Outside parties	**14,824**	12,750	**12,651**	10,456
Subsidiaries	**–**	–	**2,608**	2,606
	14,824	12,750	**15,259**	13,062
Less: Loss allowances	**(1,011)**	(1,015)	**(591)**	(593)
	13,813	11,735	**14,668**	12,469

As at 1 January 2023, trade receivables from contracts with customers amounted to $9,453,000 (net of loss allowance of $1,264,000) and $14,971,000 (net of loss allowance of $768,000) for the Group and the Company respectively.

Material accounting policy information

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. The credit period ranges from 30 to 180 days (2023: 30 to 180 days) and therefore classified as current. Trade receivables are initially measured at their transaction price, unless they contain significant financing components, when they are recognised at fair value. They are subsequently measured at amortised cost, less loss allowance.

NOTES TO FINANCIAL STATEMENTS

31 December 2024

8 TRADE RECEIVABLES (CONTINUED)

ECL assessment of trade receivables

The following table details the risk profile of trade receivables from contracts with customers in accordance with the Group's historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Group's different customer base.

	Group				
	Trade receivables – days past due				
	Current	**30 – 60 days**	**61 – 90 days**	**> 90 days**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
2024					
Estimated total gross carrying amount at default	**4,616**	**1,950**	**1,703**	**6,555**	**14,824**
Lifetime ECL	**(19)**	**(8)**	**(8)**	**(976)**	**(1,011)**
					13,813
2023					
Estimated total gross carrying amount at default	3,715	5,781	529	2,725	12,750
Lifetime ECL	(6)	(19)	(31)	(959)	(1,015)
					11,735

	Company				
	Trade receivables – days past due				
	Current	**30 – 60 days**	**61 – 90 days**	**> 90 days**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
2024					
Estimated total gross carrying amount at default	**3,763**	**1,762**	**1,640**	**8,094**	**15,259**
Lifetime ECL	**(13)**	**(6)**	**(7)**	**(565)**	**(591)**
					14,668
2023					
Estimated total gross carrying amount at default	3,357	2,046	3,068	4,591	13,062
Lifetime ECL	(5)	(3)	(10)	(575)	(593)
					12,469

NOTES TO FINANCIAL STATEMENTS

31 December 2024

8 TRADE RECEIVABLES (CONTINUED)

ECL assessment of trade receivables (Continued)

The table below shows the movement in lifetime ECL that has been recognised for trade receivables in accordance with the simplified approach set out in SFRS(I) 9:

	Group	
	Lifetime ECL – credit-impaired	
	2024	**2023**
	$'000	**$'000**
At beginning of the year	**1,015**	1,264
Change in loss allowance due to new trade receivables originated, net of those derecognised due to settlement	**(1)**	201
Trade receivables written off	**–**	(414)
Foreign exchange gains	**(3)**	(36)
At the end of the year	**1,011**	1,015

	Company	
	Lifetime ECL – credit-impaired	
	2024	**2023**
	$'000	**$'000**
At beginning of the year	**593**	768
Write-back of allowance for doubtful debts	**–**	(175)
Foreign exchange gains	**(2)**	–
At the end of the year	**591**	593

During the year, trade receivables amounting to $Nil (2023: $86,000) were written off to profit or loss as bad debts.

NOTES TO FINANCIAL STATEMENTS

31 December 2024

8 TRADE RECEIVABLES (CONTINUED)

ECL assessment of trade receivables (Continued)

Material accounting policy information

ECL – Trade receivables

The Group applies the simplified approach in SFRS(I) 9 to measure the loss allowance at an amount equal to lifetime ECL for trade receivables. The loss allowance is estimated using a provision matrix by reference to past default experience of the customers and an analysis of the customers' current financial position, adjusted for factors that are specific to the customers, general economic conditions of the industry in which the customers operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The Group considers default has occurred when a trade receivable is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate. The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

At Company level, in determining the ECL on trade receivables from subsidiaries, management has taken into account the financial position of the subsidiaries, adjusted for factors that are specific to the subsidiaries and general economic conditions of the industry in which the subsidiaries operate, in estimating the probability of default as well as loss upon default.

Key sources of estimation uncertainty

Allowance for trade receivables

Management judgement is required in assessing the ultimate realisation of the trade receivables. This involves an assessment of the Group's historical loss rates and estimates of expected future loss rates, management's assessment of forward-looking macroeconomic factors and the eventual expected credit losses in accordance with SFRS(I) 9.

NOTES TO FINANCIAL STATEMENTS

31 December 2024

9 OTHER RECEIVABLES AND PREPAYMENTS

	Group		Company	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
Subsidiaries	**–**	–	**40**	1,955
Deposits	**39**	328	**35**	55
Prepayments	**311**	458	**204**	206
Sundry debtors	**127**	452	**71**	7
	477	1,238	**350**	2,223
Less: Loss allowances	**–**	–	**–**	–
	477	1,238	**350**	2,223

The amounts due from subsidiaries are unsecured, interest-free and repayable on demand.

	Company	
	Lifetime ECL – credit-impaired	
	2024	**2023**
	$'000	**$'000**
At beginning of the year	**–**	108
Written off	**–**	(108)
At the end of the year	**–**	–

Material accounting policy information

ECL – Other receivables

For purpose of impairment assessment, the other receivables are considered to have low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition. Other receivables from subsidiaries are also considered to have low credit risk as the timing of payment is controlled by the Company taking into account cash flow management within the group of companies and there has been no significant increase in the risk of default on the amounts due from subsidiaries since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month expected credit losses.

In determining the ECL, management has taken into account the financial position of the subsidiaries, adjusted for factors that are specific to the subsidiaries and general economic conditions of the industry in which the subsidiaries operate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

NOTES TO FINANCIAL STATEMENTS

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10 INVENTORIES

	Group		Company	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
Cranes and aerial lifts	**2,572**	3,651	**1,852**	2,572
Goods-in-transit	**61**	339	**–**	–
	2,633	3,990	**1,852**	2,572

The cost of inventories recognised as an expense was $Nil (2023: $Nil) in respect of write-off of inventory.

Material accounting policy information

Inventories, comprising mainly cranes and aerial lifts, are stated at the lower of cost and net realisable value. For purchase of inventories, cost of cranes and aerial lifts is determined on specific identification cost basis and comprises the costs of purchase and other costs incurred in bringing the inventories to their present location and condition. For inventories transferred from property, plant and equipment with the intention to sell, the deemed cost of the inventories are their net carrying value at the date of change in use. Net realisable value represents the estimated selling price in the ordinary course of business, less the estimated selling expenses.

Key sources of estimation uncertainty

Allowance for inventories

In determining the net realisable value of the cranes and aerial lifts classified as inventories, an estimation of the recoverable amount of inventories on hand is performed by management based on the most reliable evidence available at the time the estimates are made. Management judgement regarding future market and economic conditions is involved in determining the net realisable value of inventories.

NOTES TO FINANCIAL STATEMENTS

31 December 2024

11 PROPERTY, PLANT AND EQUIPMENT

	Assets under construction $'000	Freehold land $'000	Leasehold land $'000	Workshop building $'000	Cranes $'000	Aerial lifts $'000	Motor vehicles $'000	Plant and equipment $'000	Total $'000
Group									
Cost:									
At 1 January 2023	–	2,821	474	6,547	78,511	11,895	3,084	3,124	106,456
Additions	5,448	–	–	–	5,586	–	111	21	11,166
Transfer from inventories	–	–	–	–	10,750	4,763	–	–	15,513
Transfer to inventories	–	–	–	–	(32,843)	(1,634)	–	–	(34,477)
Disposals	–	(2,738)	–	(1,806)	–	–	(707)	(711)	(5,962)
Written off	–	–	–	–	–	(45)	–	(343)	(388)
Exchange differences	–	(83)	(29)	(99)	(590)	–	(36)	(45)	(882)
At 31 December 2023	5,448	–	445	4,642	61,414	14,979	2,452	2,046	91,426
Additions	112	–	–	194	421	154	–	141	1,022
Transfer from inventories	–	–	–	–	482	2,400	–	–	2,882
Transfer to inventories	–	–	–	–	(10,360)	(1,778)	–	–	(12,138)
Transfer to workshop building	(5,560)	–	–	5,560	–	–	–	–	–
Disposals	–	–	–	–	–	–	(916)	(72)	(988)
Written off	–	–	–	–	–	–	–	(598)	(598)
Exchange differences	–	–	29	44	68	(1)	16	12	168
At 31 December 2024	**–**	**–**	**474**	**10,440**	**52,025**	**15,754**	**1,552**	**1,529**	**81,774**
Accumulated depreciation:									
At 1 January 2023	–	–	77	3,829	29,142	3,602	2,643	2,576	41,869
Depreciation for the year	–	–	13	213	4,693	1,214	186	133	6,452
Transfer to inventories	–	–	–	–	(16,385)	(729)	–	–	(17,114)
Disposals	–	–	–	(256)	–	–	(655)	(493)	(1,404)
Written off	–	–	–	–	–	(5)	–	(293)	(298)
Exchange differences	–	–	(5)	(10)	(169)	1	(35)	(35)	(253)
At 31 December 2023	–	–	85	3,776	17,281	4,083	2,139	1,888	29,252
Depreciation for the year	–	–	13	400	3,960	1,470	104	69	6,016
Transfer to inventories	–	–	–	–	(6,394)	(712)	–	–	(7,106)
Disposals	–	–	–	–	–	–	(904)	(60)	(964)
Written off	–	–	–	–	–	–	–	(555)	(555)
Exchange differences	–	–	6	5	20	–	17	9	57
At 31 December 2024	**–**	**–**	**104**	**4,181**	**14,867**	**4,841**	**1,356**	**1,351**	**26,700**

NOTES TO FINANCIAL STATEMENTS

31 December 2024

11 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Assets under construction $'000	Freehold land $'000	Leasehold land $'000	Workshop building $'000	Cranes $'000	Aerial lifts $'000	Motor vehicles $'000	Plant and equipment $'000	Total $'000
Group									
Impairment:									
At 1 January 2023	–	–	–	–	632	62	–	–	694
Transfer to inventories	–	–	–	–	(336)	(1)	–	–	(337)
Exchange differences	–	–	–	–	(21)	–	–	–	(21)
At 31 December 2023	–	–	–	–	275	61	–	–	336
Transfer to inventories	–	–	–	–	(281)	(9)	–	–	(290)
Exchange differences	–	–	–	–	6	–	–	–	6
At 31 December 2024	**–**	**–**	**–**	**–**	**–**	**52**	**–**	**–**	**52**
Carrying amount:									
At 31 December 2023	5,448	–	360	866	43,858	10,835	313	158	61,838
At 31 December 2024	**–**	**–**	**370**	**6,259**	**37,158**	**10,861**	**196**	**178**	**55,022**

NOTES TO FINANCIAL STATEMENTS

31 December 2024

11 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Assets under construction $'000	Workshop building $'000	Cranes $'000	Motor vehicles $'000	Plant and equipment $'000	Total $'000
Company						
Cost:						
At 1 January 2023	–	3,951	57,116	2,062	1,456	64,585
Additions	5,448	–	5,586	–	6	11,040
Transfer from inventories	–	–	9,673	–	–	9,673
Transfer to inventories	–	–	(14,164)	–	–	(14,164)
Disposal	–	–	–	(421)	(20)	(441)
Written off	–	–	–	–	(5)	(5)
At 31 December 2023	5,448	3,951	58,211	1,641	1,437	70,688
Additions	112	194	421	–	139	866
Transfer from inventories	–	–	482	–	–	482
Transfer to inventories	–	–	(7,002)	–	–	(7,002)
Transfer to workshop building	(5,560)	5,560	–	–	–	–
Disposal	–	–	–	(460)	–	(460)
Written off	–	–	–	–	(166)	(166)
At 31 December 2024	**–**	**9,705**	**52,112**	**1,181**	**1,410**	**64,408**
Accumulated depreciation:						
At 1 January 2023	–	3,556	21,162	1,717	1,351	27,786
Depreciation for the year	–	158	3,858	136	49	4,201
Transfer to inventories	–	–	(9,293)	–	–	(9,293)
Disposal	–	–	–	(421)	(20)	(441)
Written off	–	–	–	–	(5)	(5)
At 31 December 2023	–	3,714	15,727	1,432	1,375	22,248
Depreciation for the year	–	379	3,883	83	44	4,389
Transfer to inventories	–	–	(4,795)	–	–	(4,795)
Disposal	–	–	–	(460)	–	(460)
Written off	–	–	–	–	(166)	(166)
At 31 December 2024	**–**	**4,093**	**14,815**	**1,055**	**1,253**	**21,216**
Carrying amount:						
At 31 December 2023	5,448	237	42,484	209	62	48,440
At 31 December 2024	**–**	**5,612**	**37,297**	**126**	**157**	**43,192**

NOTES TO FINANCIAL STATEMENTS

31 December 2024

11 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

As at 31 December 2024, the carrying amount of leased assets classified within property, plant and equipment with corresponding lease liabilities (Note 20) of the Group and Company amounted to $10,283,000 (2023: $11,673,000).

Details of the freehold land, leasehold land and building held by the Group as at 31 December are as follows:

Location	Gross area (sq.m)	Tenure	Use
2024			
Leasehold land			
PTB 1472, Mukim Tanjung	8,741	37 years	Yard
Surat, Kota Tinggi, Johor 81100		from October 2016	
Workshop building			
26 Gul Road	14,176	45 years	Office and yard
Singapore 629346		from October 2000	
2023			
Leasehold land			
PTB 1472, Mukim Tanjung	8,741	37 years	Yard
Surat, Kota Tinggi, Johor 81100		from October 2016	
Workshop building			
26 Gul Road	14,176	45 years	Office and yard
Singapore 629346		from October 2000	

NOTES TO FINANCIAL STATEMENTS

31 December 2024

11 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Material accounting policy information

Property, plant and equipment are stated at cost, less accumulated depreciation and any accumulated impairment loss.

Depreciation is charged so as to write off the cost of property, plant and equipment, other than freehold land which is not depreciated, over their estimated useful lives, using the straight-line method, on the following bases:

Leasehold land	–	Over lease period of 37 years
Workshop building	–	Over lease period of 25 years
Cranes	–	6.67% and 10%
Aerial lifts	–	10%
Motor vehicles	–	20%
Plant and equipment	–	10% to 20%

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Leased assets are depreciated over their expected useful lives on the same basis as owned assets or, if there is no certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment, other than for cranes and aerial lifts that are transferred to inventories, is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in profit or loss. The sales consideration and deemed cost of cranes and aerial lifts that are transferred to inventories and subsequently disposed of are recognised as revenue and cost of sales respectively when the cranes and aerial lifts are transferred to the customer.

Fully depreciated property, plant and equipment still in use are retained in the financial statements.

Key sources of estimation uncertainty

Impairment of cranes and aerial lifts classified as property, plant and equipment

The management assesses whether there are any indicators of impairment of its cranes and aerial lifts classified as property, plant and equipment ("PPE") by assessing factors such as utilisation rates and estimated profitability of these assets. For those PPE where there are such indicators, the management estimates the recoverable amounts of these assets to determine the extent of the impairment loss, if any. The recoverable amounts of these assets if required, are determined based on value-in-use calculations which require the use of key estimates such as rental rates and utilisation rates.

NOTES TO FINANCIAL STATEMENTS

31 December 2024

12 RIGHT-OF-USE ASSETS

The Group leases leasehold land and dormitory units. The leasehold land with remaining lease term of 21 years (2023: 22 years). The Group's obligations are secured by the lessors' title to the leased assets for such leases.

Right-of-use assets

	JTC Corporation ("JTC") Land $'000	Dormitory $'000	Total $'000
The Group			
Cost:			
At 1 January 2023	4,238	176	4,414
Written-off	–	(85)	(85)
At 31 December 2023	4,238	91	4,329
Written-off	–	(91)	(91)
At 31 December 2024	**4,238**	**–**	**4,238**
Accumulated depreciation:			
At 1 January 2023	725	85	810
Depreciation	181	91	272
Written-off	–	(85)	(85)
At 31 December 2023	906	91	997
Depreciation	181	–	181
Written-off	–	(91)	(91)
At 31 December 2024	**1,087**	**–**	**1,087**
Carrying amount:			
At 31 December 2023	3,332	–	3,332
At 31 December 2024	**3,151**	**–**	**3,151**

NOTES TO FINANCIAL STATEMENTS

31 December 2024

12 RIGHT-OF-USE ASSETS (CONTINUED)

Right-of-use assets (Continued)

	JTC Corporation ("JTC") Land $'000	Dormitory $'000	Total $'000
The Company			
Cost:			
At 1 January 2023	3,642	176	3,818
Written-off	–	(85)	(85)
At 31 December 2023	3,642	91	3,733
Written-off	–	(91)	(91)
At 31 December 2024	**3,642**	**–**	**3,642**
Accumulated depreciation:			
At 1 January 2023	375	85	460
Depreciation	94	91	185
Written-off	–	(85)	(85)
At 31 December 2023	469	91	560
Depreciation	94	–	94
Written-off	–	(91)	(91)
At 31 December 2024	**563**	**–**	**563**
Carrying amount:			
At 31 December 2023	3,173	–	3,173
At 31 December 2024	**3,079**	**–**	**3,079**

The Group made upfront payment(s) in full to secure the right-of-use of certain leasehold land. This leasehold land, with net book value amounting to $370,000 (2023: $360,000) is presented within property, plant and equipment (Note 11).

Right-of-use assets acquired under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 11.

As at 31 December 2024, the Company has current lease receivables amounting to $80,000 (2023: $176,000) from its subsidiary arising from the subleasing of office premises within the JTC Corporation Land.

Accounting policy for right-of-use assets is disclosed in Note 20.

NOTES TO FINANCIAL STATEMENTS

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13 INVESTMENT IN SUBSIDIARIES

	Company	
	2024	**2023**
	$'000	**$'000**
Unquoted equity shares – at cost	**7,960**	6,641
Loan to subsidiaries	**6,630**	10,137
Less: Impairment loss	**(5,576)**	(6,421)
	9,014	10,357

The loan amount is unsecured and repayment is at the discretion and ability of the subsidiaries. Accordingly, the loan to subsidiaries is deemed as part of the investment in subsidiaries.

The details of the Group's subsidiaries are as follows:

Name of subsidiary	Country of incorporation (or registration) and operation	Proportion of ownership interest and voting power held 2024 %	2023 %	Principal activity
Held by the Company				
Sin Heng Aerial Lifts Pte Ltd[(1)]	Singapore	**100**	100	Rental and trading of aerial lifts.
SH Heavy Machinery Sdn Bhd[(2)]	Malaysia	**100**	100	Rental and trading of cranes.
Sin Heng Vina Co. Ltd[(3)]	Vietnam	**100**	100	Dormant.
SH Equipment Pte Ltd[(3)]	Singapore	**100**	100	Dormant.
PT SH Machinery Indonesia[(3)]	Indonesia	**100**	100	Dormant.
SH Equipment Holdings Sdn Bhd[(3)]	Malaysia	**100**	100	Dormant.
Tady Timber Co Pte. Ltd.[(3)]	Singapore	**100**	–	Investment holding.
SH Growth Investment Pte. Ltd.[(3)]	Singapore	**100**	–	Investment holding.
Held by subsidiaries				
SH Equipment (Myanmar) Company Limited[(3)]	Myanmar	**100**	100	Dormant.
Bestari Industrial Holdings Sdn Bhd ("Bestari")[(3)]	Malaysia	**100**	100	Investment holding.

(1) Audited by Deloitte & Touche LLP, Singapore.

(2) Audited by Deloitte & Touche LLP, Malaysia.

(3) Not audited as the subsidiary is not material for the Group's consolidated financial statements. Unaudited management accounts were used for consolidation purposes.

NOTES TO FINANCIAL STATEMENTS

31 December 2024

14 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group and Company	
	2024	2023
	$'000	$'000
Quoted equity shares, at fair value	**265**	349

The investments in quoted equity securities that offer the Group and the Company the opportunity for return through dividend income and fair value gains. The fair value of these shares are based on the quoted closing market prices on the last market day of the financial year.

The investments are measured at fair value through profit or loss in accordance with SFRS(I) 9, as they represent an identified portfolio of investments which the Group and Company manage together with an intention of profit taking when the opportunity arises.

15 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

The investment comprises of unquoted funds that offer the Group and the Company the opportunity for return through fair value gains. The Group has elected to designate the investment as at FVTOCI as it is held for medium to long term strategic purposes.

Fair values of the investment classified as level 3 of the fair value hierarchy. It is measured based on net asset value of the unquoted funds as provided by the fund manager where higher the net asset value, the higher fair value.

Reconciliation of Level 3 fair value measurement:

	Group and Company	
	2024	2023
	$'000	$'000
Opening balance	**700**	500
Total gain recorded in other comprehensive income	**490**	200
Closing balance	**1,190**	700

Material accounting policy information

Equity instruments designated as at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value, with any gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the fair value reserve. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings. Dividends received in respect of these investments are recognised in profit or loss in accordance with SFRS(I) 9 and are disclosed in 'Other operating income' line item.

NOTES TO FINANCIAL STATEMENTS

31 December 2024

16 OTHER ASSETS

	Group		Company	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
Golf club memberships	**1,355**	69	**69**	69
Allowance for impairment	**(59)**	(59)	**(59)**	(59)
	1,296	10	**10**	10

The Group invested in overseas golf club memberships, which was recognised net of allowance for impairment amounting to $10,000.

During the year, the Group acquired Tady Timber Co Pte. Ltd. which holds local golf club memberships, amounting to $1,286,000. Management has considered the investment of this investment holding company to be an asset acquisition consisting of assets investment to hold the rights and obligations of the local golf club memberships.

No allowance for impairment is required as management has assessed that these local golf club memberships have a market value which is significantly higher than the cost of investment.

Material accounting policy information

Golf club memberships that do not have finite useful lives are carried at cost less any allowance for impairment.

17 DERIVATIVE FINANCIAL INSTRUMENTS

	Group			
	2024		**2023**	
	Assets	**Liabilities**	**Assets**	**Liabilities**
	$'000	**$'000**	**$'000**	**$'000**
Foreign currency forward contracts	**1**	**–**	–	(2)

	Company			
	2024		**2023**	
	Assets	**Liabilities**	**Assets**	**Liabilities**
	$'000	**$'000**	**$'000**	**$'000**
Foreign currency forward contracts	**3**	**–**	–	(2)

The Group utilises foreign currency forward contracts to purchase Japanese yen ("JPY") and Australian dollar ("AUD") and sell Singapore dollar ("SGD"), in the management of its exchange rate exposures.

NOTES TO FINANCIAL STATEMENTS

31 December 2024

17 DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

At the end of the reporting period, the total notional amount of outstanding forward foreign exchange contracts to which the Group is committed are as follows:

	Group		Company	
	2024	**2023**	**2024**	**2023**
	'000	**'000**	**'000**	**'000**
Buy JPY	**275,000**	115,800	**275,000**	115,800
Buy AUD	**76**	–	**–**	–

The fair value of the derivative financial assets and liabilities fall under level 2 of the fair value hierarchy. The fair values of these foreign currency forward contracts are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates.

The unrealised gain in fair value of the forward foreign exchange contract was $1,000 in 2024 (2023: loss in fair value of $2,000) and this has been recorded in profit or loss.

18 TRADE PAYABLES

	Group		Company	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
Outside parties	**875**	1,044	**772**	913
Subsidiary	**–**	–	**7,671**	11,132
	875	1,044	**8,443**	12,045

The average credit period on purchases of goods is 30 to 90 days (2023: 30 to 90 days). No interest is charged on the outstanding balance.

19 OTHER PAYABLES

	Group		Company	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
Outside parties	**499**	20	**252**	2
Subsidiary	**–**	–	**37**	35
Accrued expenses	**3,497**	4,246	**3,344**	4,011
Deposits received	**295**	423	**295**	415
	4,291	4,689	**3,928**	4,463

Accrued expenses principally comprise amounts outstanding for personnel-related costs and other ongoing costs.

NOTES TO FINANCIAL STATEMENTS

31 December 2024

20 LEASE LIABILITIES

	Group		Company	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
Maturity analysis:				
Within one year	**2,653**	3,102	**2,653**	3,102
In the second to fifth year inclusive	**1,146**	3,636	**1,146**	3,636
After five years	**2,189**	3,680	**2,189**	3,680
	5,988	10,418	**5,988**	10,418
Less: Unearned interest	**(181)**	(1,698)	**(181)**	(1,698)
	5,807	8,720	**5,807**	8,720
Analysed as:				
Current	**2,499**	2,914	**2,499**	2,914
Non-current	**3,308**	5,806	**3,308**	5,806
	5,807	8,720	**5,807**	8,720

The Group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group's finance function.

Changes in liabilities arising from financing activities

The table below detail changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

			Non-cash changes			
	1 January 2024	**Financing cash flow**	**Acquisition**	**New lease liabilities**	**Foreign exchange movement**	**31 December 2024**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Lease liabilities (Note 20)	**8,720**	**(2,913)**	**–**	**–**	**–**	**5,807**

			Non-cash changes			
	1 January 2023	**Financing cash flow**	**Acquisition**	**New lease liabilities**	**Foreign exchange movement**	**31 December 2023**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Lease liabilities (Note 20)	8,270	(2,878)	3,328	–	–	8,720

NOTES TO FINANCIAL STATEMENTS

31 December 2024

20 LEASE LIABILITIES (CONTINUED)

Material accounting policy information

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. A right-of-use asset and a corresponding lease liability are recognised with respect to all lease arrangements, except for short-term leases (those with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

As a practical expedient, SFRS(I) 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

The incremental borrowing rate depends on the term, currency and start date of the lease, and is determined based on a series of inputs including: the risk-free rate based on government bond rates; a country-specific risk adjustment; a credit risk adjustment based on bond yields; and an entity-specific adjustment when the risk profile of the entity that enters into the lease is different to that of the Group and the lease does not benefit from a guarantee from the Group.

Lease payments included in the measurement of the Group's lease liabilities comprise mainly of fixed lease payments over the lease terms.

A right-of-use asset is initially measured at cost comprising the initial lease liability, any lease payments made at or before the commencement date (less any lease incentives received), any initial direct costs and any restoration costs. The right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses. The right-of-use assets are depreciated over the lease terms commencing from the date of the lease, and are tested for impairment in accordance with the policy similar to that adopted for property, plant and equipment in Note 11.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. Lease liability is remeasured by discounting the revised lease payments using a revised discount rate when there is a change in the lease term upon exercising extension options not previously included in the determination of the lease term. A corresponding adjustment is made to the related right-of-use asset.

The Group's right-of-use assets are disclosed in Note 12 and management has assessed that there is no indication of impairment for its right-of-use assets.

NOTES TO FINANCIAL STATEMENTS

31 December 2024

21 DEFERRED TAX LIABILITIES

Movements of the net deferred tax liabilities recognised are as follows:

	Note	Accelerated tax depreciation $'000	Right-of-use assets $'000	Lease liabilities $'000	Total $'000
Group					
Balance at 1 January 2023		7,069	613	(619)	7,063
(Credit) Charge to profit or loss	28	(1,005)	(47)	47	(1,005)
Exchange differences		(194)	–	–	(194)
Balance at 31 December 2023		5,870	566	(572)	5,864
Charge (Credit) to profit or loss	28	634	(40)	40	634
Exchange differences		(1)	–	–	(1)
Balance at 31 December 2024		**6,503**	**526**	**(532)**	**6,497**
Company					
Balance at 1 January 2023		3,656	613	(619)	3,650
Charge (Credit) to profit or loss	28	500	(47)	47	500
Balance at 31 December 2023		4,156	566	(572)	4,150
Charge (Credit) to profit or loss	28	440	(40)	40	440
Balance at 31 December 2024		**4,596**	**526**	**(532)**	**4,590**

22 SHARE CAPITAL

	Group and Company			
	2024	**2023**	**2024**	**2023**
	'000	**'000**	**$'000**	**$'000**
	Number of ordinary shares			
Issued and paid-up:				
At beginning and end of the year	**114,889**	114,889	**41,846**	41,846

Fully paid ordinary shares, which have no par value, carry one vote per share and carry a right to dividends as and when declared by the Company.

NOTES TO FINANCIAL STATEMENTS

31 December 2024

23 TREASURY SHARES

	Group and Company			
	2024	2023	2024	2023
	'000	'000	$'000	$'000
	Number of ordinary shares			
At beginning of the year	**5,166**	1,476	**2,338**	591
Repurchased during the year	**973**	3,690	**472**	1,747
At the end of the year	**6,139**	5,166	**2,810**	2,338

In 2024, the Company acquired 973,000 (2023: 3,690,000) of its own shares through purchases on the Singapore Exchange. The total amount paid to acquire the shares was approximately $472,000 (2023: $1,747,000) and has been deducted from shareholder's equity.

24 REVENUE

	Group	
	2024	2023
	$'000	$'000
Trading of cranes and aerial lifts recognised at a point in time	**19,970**	35,518
Rental of cranes and aerial lifts recognised over time	**27,282**	27,404
Servicing of cranes and aerial lifts recognised over time	**3,029**	3,308
	50,281	66,230

As permitted under SFRS(I) 15 *Revenue from Contracts with Customers*, no disclosure of transaction price allocated to the remaining performance obligation is necessary as the remaining performance obligation is part of a contract that has an original expected duration of one year or less.

Material accounting policy information

Revenue recognition

The Group recognises revenue from the following major sources:

- Sale of cranes and aerial lifts.
- Rental of cranes and aerial lifts.
- Servicing of cranes and aerial lifts.

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control of a product or service to a customer.

NOTES TO FINANCIAL STATEMENTS

31 December 2024

24 REVENUE (CONTINUED)

Material accounting policy information (Continued)

Sale of cranes and aerial lifts

The Group is involved in the trading of cranes and aerial lifts. Revenue from the sale of cranes and aerial lifts is recognised when control of the goods has transferred, being when the goods have been shipped to the customer's location (delivery). A receivable is recognised by the Group when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time required before payment is due.

Rental of cranes and aerial lifts

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

Servicing of cranes and aerial lifts

The Group is involved in the servicing of cranes and aerial lifts in relation to the rental operating segment. The servicing of cranes and aerial lifts are individually considered to be a distinct service as it is both regularly supplied by the Group to other customers on a stand-alone basis and is available for customers from other providers in the market. Transaction prices are allocated to the services based on its stand-alone selling price.

Revenue relating to the servicing of cranes and aerial lifts is recognised over time. Management has assessed that the revenue recognition based on output method is an appropriate measure of progress towards complete satisfaction of these performance obligations under SFRS(I) 15 *Revenue from Contracts with Customers*.

25 OTHER OPERATING INCOME

	Group	
	2024	**2023**
	$'000	**$'000**
Gain on disposal of property, plant and equipment	**327**	1,291
Interest income	**1,316**	1,120
Foreign exchange gain	**–**	264
Others	**295**	304
	1,938	2,979

NOTES TO FINANCIAL STATEMENTS

31 December 2024

26 OTHER OPERATING EXPENSES

	Group	
	2024	**2023**
	$'000	**$'000**
Bad debts written off	**–**	86
Bad non-trade debts written off	**39**	–
Fair value loss arising on financial assets designated as at FVTPL	**76**	81
Foreign exchange loss	**43**	–
Property, plant and equipment written off	**43**	90
Others	**113**	127
	314	384

27 FINANCE COSTS

	Group	
	2024	**2023**
	$'000	**$'000**
Interest expenses on lease liabilities	**188**	183

28 INCOME TAX EXPENSE

	Group	
	2024	**2023**
	$'000	**$'000**
Current tax:		
– Current year	**1,010**	2,910
– Overprovision in prior years	**(419)**	(126)
Deferred tax:		
– Current year	**285**	(1,005)
– Underprovision in prior years	**349**	–
	1,225	1,779

Domestic income tax is calculated at 17% (2023: 17%) of the estimated assessable income for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

NOTES TO FINANCIAL STATEMENTS

31 December 2024

28 INCOME TAX EXPENSE (CONTINUED)

The total charge for the year can be reconciled to the accounting profit as follows:

	Group	
	2024	**2023**
	$'000	**$'000**
Profit before income tax	**7,492**	9,774
Income tax expense at the income tax rate of 17% (2023: 17%)	**1,274**	1,661
Tax effect of expenses not deductible for tax purpose	**28**	374
Tax effect of income not taxable in determining taxable profit	**(18)**	(196)
Effect of different tax rates of overseas subsidiaries	**11**	84
Overprovision of current tax in prior years	**(419)**	(126)
Underprovision of deferred tax in prior years	**349**	–
Others	**–**	(18)
Total income tax expense	**1,225**	1,779

Material accounting policy information

Income tax expense represents the sum of current and deferred tax and is recognised in profit or loss.

Current tax

Current tax payable represents the amount expected to be paid to the taxation authority on taxable profit for the year, using tax rate enacted or substantively enacted at the reporting date and any adjustment to tax payable in respect of previous periods. The amount of current tax payable is the best estimate of the tax amount expected to be paid that reflects the uncertainty related to income taxes.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from (i) initial recognition of goodwill; or (ii) initial recognition of assets and liabilities in a transaction that is not a business combination, and at the time of the transaction affects neither accounting nor taxable profit, and does not give rise to equal taxable and deductible temporary differences.

NOTES TO FINANCIAL STATEMENTS

31 December 2024

28 INCOME TAX EXPENSE (CONTINUED)

Deferred tax (Continued)

Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rate that is expected to apply in the period when the liability is settled, or the asset is realised based on tax laws and rate that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Offsetting

Current tax assets and liabilities are offset when there is a legally enforceable right to set off the recognised amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and they relate to income taxes levied by the same taxation authority.

29 PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging (crediting):

	Group	
	2024	**2023**
	$'000	**$'000**
Cost of defined contribution plans included in employee benefits expense	**922**	984
Directors' remuneration	**2,066**	2,162
Employee benefits expense (including directors' remuneration)	**12,851**	14,254
Net foreign exchange loss (gain)	**43**	(264)
(Reversal of impairment loss) Impairment loss on financial assets	**(1)**	201
Bad debts written off	**–**	86
Bad non-trade debts written off	**39**	–
Fair value changes arising on financial assets designated as at FVTPL	**76**	81
Cost of inventories recognised as expense	**14,065**	25,923
Fair value changes on derivative financial instruments	**(3)**	(136)
Audit fees:		
– paid to auditors of the Company and Deloitte network firms	**153**	162
Non-audit fees:		
– paid to auditors of the Company	**20**	19

NOTES TO FINANCIAL STATEMENTS

31 December 2024

29 PROFIT FOR THE YEAR (CONTINUED)

Amount recognised in profit or loss relating to leases (The Group as lessee):

	Group	
	2024	**2023**
	$'000	**$'000**
Depreciation expense on right-of-use assets	**181**	272
Interest expense on lease liabilities	**188**	183

30 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the financial year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the financial year.

The calculation of the basic and diluted earnings per share is based on the following data:

	Group	
	2024	**2023**
Profit for the year attributable to owners of the Company ($'000)	**6,267**	7,995
Weighted average number of fully paid ordinary shares in issue ('000)	**109,075**	112,232
Basic and diluted earnings per share (cents)	**5.75**	7.12

31 DIVIDENDS

In 2023, a tax-exempt one-tier first and final dividend of 1.0 cents per ordinary share and special dividend of 2.5 cents per ordinary share, totalling $3,969,000 was declared and paid for the financial year ended 31 December 2022.

In 2024, a tax-exempt one-tier first and final dividend of 1.0 cents per ordinary share and special dividend of 4.0 cents ordinary share, totalling $5,486,000 was declared and paid for the financial year ended 31 December 2023.

Subsequent to the end of the current financial year, the directors of the Company recommended that a tax-exempt one-tier first and final dividend of 1.0 cents per ordinary share and special dividend of 4.0 cents per ordinary share, totalling $5,438,000 be paid for the financial year ended 31 December 2024. The dividend is subject to approval by shareholders at the forthcoming Annual General Meeting and hence the proposed dividend has not been accrued as a liability as at the end of the reporting period.

NOTES TO FINANCIAL STATEMENTS

31 December 2024

32 SEGMENT INFORMATION

Goods and Services from which reportable segments derive their revenue

For the purpose of the resource allocation and assessment of segment performance, the Group's chief operating decision maker has focused on the business operating units which in turn, are segregated based on their goods and services. This forms the basis of identifying the operating segments of the Group under SFRS(I) 8 *Operating segments* as follows:

Operating segments are segregated into a single reportable operating segment if they have similar economic characteristics, such as long-term average gross margins, and are similar in respect of nature of services and processes, type of customers, methods of distribution, and/or their reported revenue, absolute amount of profit or loss and assets are not material to the consolidated totals of all operating segments.

The Group's reportable operating segments are as follows:

Segment principal activities

Equipment rental	Rental and servicing of cranes and aerial lifts
Trading	Trading of cranes and aerial lifts

Segment revenue represents revenue generated from external customers. Segment profits represents the profit earned by each segment after allocating selling expenses. This is the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

For the purpose of monitoring segment performance and allocating resources, the chief operating decision maker monitors the tangible and financial assets and liabilities attributable to each segment. All assets and liabilities are allocated to reportable segments. Assets and liabilities, if any, used jointly by reportable segments are allocated on the basis of the revenue earned by individual reportable segments.

NOTES TO FINANCIAL STATEMENTS

31 December 2024

32 SEGMENT INFORMATION (CONTINUED)

Goods and Services from which reportable segments derive their revenue (Continued)

Information regarding the Group's reportable segments is presented in the tables below.

	Equipment rental $'000	Trading $'000	Total $'000
2024			
Revenue			
Segment revenue	**30,311**	**19,970**	**50,281**
Results			
Segment results	**11,258**	**5,461**	**16,719**
Selling expenses	**(270)**	**(178)**	**(448)**
Other operating income			**1,938**
Administrative expenses			**(10,216)**
Other operating expenses			**(314)**
Reversal of impairment loss on financial assets			**1**
Finance costs	**(184)**	**(4)**	**(188)**
Profit before tax			**7,492**
Income tax expense			**(1,225)**
Profit for the year			**6,267**
Other information			
Capital expenditure	**(2,561)**	**(156)**	**(2,717)**
Depreciation expense	**(5,823)**	**(374)**	**(6,197)**
Reversal of impairment loss on financial assets	**1**	**–**	**1**
Bad non-trade debts written off	**(39)**	**–**	**(39)**
Property, plant and equipment written off	**(43)**	**–**	**(43)**
Gain on disposal of property, plant and equipment	**327**	**–**	**327**
2023			
Revenue			
Segment revenue	30,712	35,518	66,230
Results			
Segment results	9,963	8,469	18,432
Selling expenses	(184)	(212)	(396)
Other operating income			2,979
Administrative expenses			(10,473)
Other operating expenses			(384)
Reversal of impairment loss on financial assets			(201)
Finance costs	(175)	(8)	(183)
Profit before tax			9,774
Income tax expense			(1,779)
Profit for the year			7,995
Other information			
Capital expenditure	(22,987)	(111)	(23,098)
Depreciation expense	(6,332)	(392)	(6,724)
Impairment loss on financial assets	(201)	–	(201)
Bad debts written off	(86)	–	(86)
Property, plant and equipment written off	(90)	–	(90)
Gain on disposal of property, plant and equipment	1,291	–	1,291

NOTES TO FINANCIAL STATEMENTS

31 December 2024

32 SEGMENT INFORMATION (CONTINUED)

Goods and Services from which reportable segments derive their revenue (Continued)

Revenue reported above represents revenue generated from external customers.

	Equipment rental $'000	Trading $'000	Total $'000
2024			
Assets and liabilities			
Segment assets	**56,755**	**17,864**	**74,619**
Unallocated corporate assets			**51,084**
Total assets			**125,703**
Segment liabilities	**5,099**	**1,583**	**6,682**
Unallocated corporate liabilities			**11,481**
			18,163
2023			
Assets and liabilities			
Segment assets	64,186	16,709	80,895
Unallocated corporate assets			46,935
Total assets			127,830
Segment liabilities	8,084	1,680	9,764
Unallocated corporate liabilities			11,863
			21,627

The accounting policies of the reportable segments are the same as the Group's material accounting policies described in Note 2. Segment results represents the profit earned by each segment without allocation of central administrative expenses, finance costs and income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performances.

NOTES TO FINANCIAL STATEMENTS

31 December 2024

32 SEGMENT INFORMATION (CONTINUED)

Geographical segment information

The following table provide details on the Group's revenue by location of customers by geographical area:

	Group	
	2024	**2023**
	$'000	**$'000**
Singapore	**36,495**	42,041
Indonesia	**8,363**	10,968
Malaysia	**1,430**	3,604
Philippines	**1,247**	–
Brunei	**660**	–
Taiwan	**1,603**	6,913
Japan	**–**	2,588
Others	**483**	116
	50,281	66,230

The Group's segment assets by geographical location are detailed below:

Non-current assets

Property, plant and equipment	**2024**	**2023**
	$'000	**$'000**
Singapore	**55,022**	58,714
Malaysia	**–**	3,124
	55,022	61,838

Major customer information

In 2024, there was one customer (2023: two) that contributed to more than 10% of the Group's revenue.

NOTES TO FINANCIAL STATEMENTS

31 December 2024

33 CAPITAL COMMITMENTS

	Group	
	2024	**2023**
	$'000	**$'000**
Capital expenditure in respect of acquisition of property, plant and equipment contracted but not provided for in the financial statements	**1,718**	–
Capital commitment in respect of investment in financial assets at FVTOCI	**500**	500

34 OPERATING LEASE ARRANGEMENTS

The Group as lessee

As at 31 December 2024, the Group is committed to $85,540 (2023: $189,000) of short-term leases exempted under SFRS(I) 16.

35 SUBSEQUENT EVENT AFTER REPORTING PERIOD

On 14 March 2025, Maybank Securities Pte. Ltd. ("Maybank") announced, for and on behalf of TAL United Pte. Ltd. ("Offeror"), that the Offeror's intention to make a voluntary unconditional offer ("Offer") for all the issued and paid-up ordinary shares ("Shares") in the capital of the Company in accordance with Section 139 of the Securities and Futures Act 2001 of Singapore (the "SFA") and Rule 15 of the Singapore Code on Take-overs and Mergers (the "Code"), with an offer price per share of $0.58.

36 STANDARDS ISSUED BUT NOT EFFECTIVE

At the date of authorisation of these financial statements, the following SFRS(I) pronouncements that are relevant to the Group and the Company were issued but are not yet effective:

Effective for annual periods beginning on or after 1 January 2025

- Amendments to SFRS(I) 1-21: *Lack of Exchangeability*

Effective for annual periods beginning on or after 1 January 2026

- Amendments to SFRS(I) 9 and SFRS(I) 7: *Amendments to the Classification and Measurement of Financial Instruments*
- Annual Improvements to SFRS(I)s-Volume 11

NOTES TO FINANCIAL STATEMENTS

31 December 2024

36 STANDARDS ISSUED BUT NOT EFFECTIVE (CONTINUED)

Effective for annual periods beginning on or after 1 January 2027

- Amendments to SFRS(I) 18: *Presentation and Disclosure in Financial Statements*

Management anticipates that the adoption of the above new or revised FRSs and amendments to FRS in future periods will not have a material impact on the financial statements of the Group and of the Company in the period of their initial adoption, except for the following:

SFRS(I) 18 *Presentation and Disclosures in Financial Statements*

SFRS(I) 18 replaces SFRS(I) 1-1, carrying forward many of the requirements in SFRS(I) 1-1 unchanged and complementing them with new requirements. In addition, some SFRS(I) 1-1 paragraphs have been moved to SFRS(I) 1-8 and SFRS(I) 7. Furthermore, minor amendments to SFRS(I) 1-7 and SFRS(I) 1-33 *Earnings per Share* have been made.

SFRS(I) 18 introduces new requirements to:

- present specified categories and defined subtotals in the statement of profit or loss;
- provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements;
- improve aggregation and disaggregation presented in the financial statements and disclosed in the notes.

The Group and the Company is required to apply SFRS(I) 18 for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. The amendments to SFRS(I) 1-7 and SFRS(I) 1-33, as well as the revised SFRS(I) 1-8 and SFRS(I) 7, become effective when the Group and the Company applies SFRS(I) 18. SFRS(I) 18 requires retrospective application with specific transition provisions.

STATISTICS OF SHAREHOLDINGS

AS AT 18 MARCH 2025

Total Number of Issued Shares	–	114,888,980
Total Number of Issued Shares (excluding treasury shares and subsidiary holdings)	–	108,750,500
Total Number of Treasury Shares held and Percentage	–	6,138,480 (5.64%)
Total Number of Subsidiary Holdings and Percentage	–	Nil
Class of Shares	–	Ordinary
Voting Rights	–	One vote per share

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	105	8.72	1,113	0.00
100 – 1,000	132	10.96	69,183	0.06
1,001 – 10,000	582	48.34	2,808,284	2.44
10,001 – 1,000,000	374	31.06	22,607,931	19.68
1,000,001 AND ABOVE	11	0.91	89,402,469	77.82
TOTAL	**1,204**	**100.00**	**114,888,980**	**100.00**

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	TAL HOLDINGS PTE LTD	32,273,200	29.68
2	UOB KAY HIAN PRIVATE LIMITED	25,251,000	23.22
3	CGS INTERNATIONAL SECURITIES SINGAPORE PTE. LTD.	6,531,300	6.01
4	SHRINIWAS RAI	4,805,560	4.42
5	DBS NOMINEES (PRIVATE) LIMITED	4,071,104	3.74
6	PHILLIP SECURITIES PTE LTD	3,466,057	3.19
7	ONG LIM WAN @ ONG TECK MENG	2,461,900	2.26
8	LIM GUAN CHONG	1,478,461	1.36
9	MAYBANK SECURITIES PTE. LTD.	1,477,940	1.36
10	RAFFLES NOMINEES (PTE.) LIMITED	1,447,467	1.33
11	KGI SECURITIES (SINGAPORE) PTE. LTD	770,500	0.71
12	NG LIN AI	729,300	0.67
13	SIM SZE MAY	680,000	0.63
14	HONG LEONG FINANCE NOMINEES PTE LTD	680,000	0.63
15	TEO CHIN YEE (ZHANG JINYI)	570,000	0.52
16	HTAY HTAY NAING	569,800	0.52
17	OCBC SECURITIES PRIVATE LIMITED	539,600	0.50
18	ENG KOON HOCK	539,000	0.50
19	YEO SENG CHONG	432,900	0.40
20	LIM SIU HORNG	425,000	0.39
	TOTAL	**89,200,089**	**82.04**

STATISTICS OF SHAREHOLDINGS

AS AT 18 MARCH 2025

SUBSTANTIAL SHAREHOLDERS AS AT 18 MARCH 2025

(As recorded in the Register of Substantial Shareholders)

		Direct Interest		Deemed Interests	
No.	**Name**	**No. of shares held**	**%**	**No. of shares held**	**%**
1.	TAL Holdings Pte Ltd	32,273,200	29.68	–	–
2.	Tan Ah Lye	304,000	0.28	32,273,200(1)	29.68
3.	United Hope Pte. Ltd.	30,950,000(2)	28.46	–	–
4.	Teo Yi-Dar	1,600	0.001	30,950,000(3)	28.46

Notes:

(1) Mr. Tan Ah Lye owns more than 20% of the issued and paid up shares in the capital of TAL Holdings Pte Ltd ("**TALH**"). For the purpose of Section 7 of the Companies Act 1967 of Singapore ("**Act**"), Mr. Tan Ah Lye is deemed to be interested in the shares held by TALH.

(2) United Hope Pte. Ltd. directly hold 30,950,000 shares in the capital of the Company comprises of 24,950,000 shares held through UOB Kay Hian Nominees Private Limited and 6,000,000 shares are held through CGS International Securities Singapore Pte Ltd.

(3) Mr Teo Yi-Dar, is deemed to be interested in 30,950,000 shares in the capital of the Company which are held by United Hope Pte. Ltd. by virtue of Section 7 of the Companies Act.

PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

Based on Shareholders' Information as at 18 March 2025, approximately 41.58% of the issued ordinary shares of the Company are held by the public and therefore, Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited is complied with.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of Sin Heng Heavy Machinery Limited (the "**Company**") will be held at Raffles Marina, No. 10, Tuas West Drive, Singapore 638404 on Tuesday, 29 April 2025 at 10:00 a.m. to transact the business as set out below:

AS ORDINARY BUSINESSES

1. To receive and adopt the Directors' Statement and Audited Financial Statements of the Company and the Group for the financial year ended 31 December 2024, together with the Auditors' Report thereon.
Resolution 1

2. To re-elect the following Directors of the Company retiring pursuant to Regulation 89 of the Constitution of the Company:–

   (a) Mr. Tan Cheng Kwong **Resolution 2**

   (b) Mr. Rai Satish **Resolution 3**

   [See Explanatory Notes (i) and (ii)]

3. To declare a first and final dividend of 1.0 Singapore cents and special dividend of 4.0 Singapore cents per ordinary share tax-exempt (one-tier) for the financial year ended 31 December 2024.
Resolution 4

4. To approve the payment of Directors' fees of S$158,000 for the financial year ended 31 December 2024 (2023: S$135,000).
Resolution 5

5. To re-appoint Messrs Deloitte & Touche LLP as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration.
Resolution 6

6. To transact any other ordinary business which may properly be transacted at an AGM.

NOTICE OF ANNUAL GENERAL MEETING

AS SPECIAL BUSINESSES

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

7. **Authority to issue shares in the capital of the Company pursuant to Section 161 of the Companies Act 1967 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited**

That pursuant to Section 161 of the Companies Act 1967 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the Directors of the Company be authorised and empowered to:

(a) (i) issue shares in the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares,

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

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

(the "***Share Issue Mandate***")

provided that:

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

NOTICE OF ANNUAL GENERAL MEETING

(2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares and Instruments that may be issued under sub-paragraph (1) above, the percentage of issued Shares and Instruments shall be based on the number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

(a) new shares arising from the conversion or exercise of the Instruments or any convertible securities;

(b) new shares arising from exercising share options or vesting of share awards, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST; and

(c) any subsequent bonus issue, consolidation or subdivision of Shares;

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

(3) in exercising the Share Issue Mandate conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company; and

(4) unless revoked or varied by the Company in a general meeting, the Share Issue Mandate shall continue in force (i) until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier or (ii) in the case of shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution, until the issuance of such shares in accordance with the terms of the Instruments.

Resolution 7
[See Explanatory Note (iii)]

By Order of the Board

Ms Hon Wei Ling
Company Secretary
Singapore, 7 April 2025

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

(i) Mr. Tan Cheng Kwong will, upon re-election as a Director of the Company remain as the Executive Director and Deputy Chief Executive Officer of the Company. Please refer to pages 44 and 45 of the Corporate Governance Report in the Annual Report for the detailed information as required pursuant to Rule 720(6) of the Listing Manual of the SGX-ST.

(ii) Mr. Rai Satish will, upon re-election as a Director of the Company remain as an Independent Director, a Chairman of the Nominating Committee and a member of the Audit and Risk Committee and the Remuneration Committee of the Company and will be considered independent pursuant to Rule 704(8) of the Listing Manual of the SGX-ST. Please refer to pages 46 and 47 of the Corporate Governance Report in the Annual Report for the detailed information as required pursuant to Rule 720(6) of the Listing Manual of the SGX-ST.

(iii) Resolution 7 above, if passed, will empower the Directors of the Company from the date of this AGM until the date of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant instruments convertible into shares and to issue shares pursuant to such instruments, up to a number not exceeding, in total, fifty per centum (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to twenty per centum (20%) may be issued other than on a *pro rata* basis to existing shareholders of the Company.

For determining the aggregate number of shares that may be issued, the percentage of issued shares in the capital of the Company will be calculated based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Resolution is passed after adjusting for new shares arising from the conversion or exercise of the Instruments or any convertible securities, the exercise of share options or the vesting of share awards which issued and outstanding or subsisting at the time when this Resolution is passed and any subsequent consolidation or subdivision of shares.

Notes:

1. The AGM of the Company will be held in a wholly physical format at Raffles Marina, No 10, Tuas West Drive, Singapore 638404, on Tuesday, 29 April 2025 at 10:00 a.m.. **There will be no option for members to participate virtually.**

2. If a member wishes to submit questions related to the resolutions tabled for approval at the AGM, all questions must be submitted no later than 17 April 2025 by email to the Company through any of the following means:–

   (a) by email to agm2025@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, member may also ask question during the AGM.

3. The Company will endeavour to address substantial and relevant questions received from members by 25 April 2025, 10:00 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-ST's 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 AGM 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-ST's website and the Company's website, together with the minutes of AGM within one (1) month after the conclusion of the AGM. The minutes will include the responses to substantial and relevant questions received from members which are addressed during the AGM.

4. A member of the Company (other than a Relevant Intermediary*), entitled to attend, speak and vote at the AGM is entitled to appoint not more than two proxies or Chairman to attend, speak and vote in his/her/its stead at the AGM of the Company. A proxy need not be a member of the Company.

5. 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 AGM and at any adjournment thereof, the proxy/proxies (except where the Chairman of the AGM 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 AGM as the member's proxy for the relevant resolutions will be treated as invalid.

NOTICE OF ANNUAL GENERAL MEETING

6. A member who is a Relevant Intermediary* may appoint more than two proxies to attend, speak and vote at the AGM, 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).

7. 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 agm2025@sinheng.com.sg.

   In either case, by 27 April 2025, 10:00 a.m. (being forty-eight (48) hours before the time fixed for the AGM) ("**Proxy Deadline**"), and in default the instrument of proxy shall not be treated as valid.

8. 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 appointer, 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.

9. 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.

10. 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).

11. 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 AGM (i.e. by 5:00 p.m. on 16 April 2025).

12. 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 AGM, 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 of Singapore 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;

   (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore and who holds shares in that capacity; or

   (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953 of Singapore, 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 AGM and/or any adjournment thereof, or (b) submitting any question prior to the AGM 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 AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (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 AGM 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.

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 AGM of the Company may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the AGM of the Company. Accordingly, the personal data of a member (such as his name, his presence at the AGM of the Company and any questions he may raise or motions he propose/second) may be recorded by the Company for such purpose.

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SIN HENG HEAVY MACHINERY LIMITED
(Company Registration No. 198101305R)
(Incorporated In the Republic of Singapore)

ANNUAL GENERAL MEETING
PROXY FORM
(Please see notes overleaf before completing this Form)

IMPORTANT:
1. The Annual General Meeting of the Company to be held on Tuesday, 29 April 2025, 10:00 a.m. is being convened, and will be held at Raffles Marina, No 10, Tuas West Drive, Singapore 638404 (the "**AGM**"). There will be no option for members to participate virtually.
2. An investor who holds Shares under the Central Provident Fund Investment Scheme ("**CPF Investors**") and/or the Supplementary Retirement Scheme ("**SRS Investor**") (as may be applicable) and who wishes to appoint the Chairman of the AGM as proxy should inform their respective CPF Agent Banks and/or SRS Operators to submit their votes at least 7 working days before the AGM.
3. This Proxy Form is not valid for use by CPF Investors and/or SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
4. Please read the notes to the proxy form.

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.**	**Email Address^**	**Proportion of Shareholdings**	
			No. of Shares	**%**
Address				

and/or (delete as appropriate)

Name	**NRIC/Passport No.**	**Email Address^**	**Proportion of Shareholdings**	
			No. of Shares	**%**
Address				

or failing *him/her/them, the Chairman of the Annual General Meeting of the Company as *my/our *proxy/proxies to attend, speak and vote for *me/us on *my/our behalf at the AGM of the Company to be held at Raffles Marina, No 10, Tuas West Drive, Singapore 638404 on Tuesday, 29 April 2025 at 10:00 a.m. (the "**AGM**") and at any adjournment thereof.

*I/We direct *my/our *proxy/proxies, to vote for or against, or to abstain on the Resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the AGM 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 a resolution, the appointment of the Chairman of the AGM as *my/our proxy for that resolution will be treated as invalid.

No.	**Resolutions relating to:**	**No. of Votes 'For'****	**No. of Votes 'Against'****	**No. of Votes 'Abstain'****
Ordinary Businesses				
1	Adoption of the Directors' Statement and Audited Financial Statements of the Company and the Group for the financial year ended 31 December 2024, together with the Auditors' Report thereon			
2	Re-election of Mr. Tan Cheng Kwong as a Director of the Company			
3	Re-election of Mr. Rai Satish as a Director of the Company			
4	Payment of proposed first and final dividend of 1.0 Singapore cents and special dividend of 4.0 Singapore cents per ordinary share tax-exempt (one-tier) for the financial year ended 31 December 2024			
5	Approval of payment of Directors' fees of S$158,000 for the financial year ended 31 December 2024 (2023: S$135,000)			
6	Re-appointment of Messrs Deloitte & Touche LLP as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration			
Special Businesses				
7	Authority to issue new shares			

* *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 resolutions to be passed do not in any way whatsoever reflect the intent and purpose of the resolutions. The short descriptions have been inserted for convenience only. Shareholders are encouraged to refer to the Notice of AGM for the full purpose and intent of the resolutions to be passed.*

Dated this ______ day of ________________ 2025

Total number of Shares held

____
Signature of Member(s)
and/or, Common Seal of Corporate Member

IMPORTANT: PLEASE READ NOTES OVERLEAF

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 AGM 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.

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   (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 Annual General Meeting dated 7 April 2025.

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