

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 Wednesday, 26 October 2016 at 10.00 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements and Directors' Statement of the Company and the Group for the financial year ended 30 June 2016 together with the Auditors' Report thereon. **Resolution 1**
2. To re-elect the following Directors of the Company retiring pursuant to Regulation 89 and 96 of the Constitution of the Company:

Mr. Tan Cheng Guan	(Retiring under Regulation 89)	Resolution 2
Mr. Renny Yeo Ah Kiang	(Retiring under Regulation 89)	Resolution 3
Mr. Tan Keh Yan, Peter	(Retiring under Regulation 89)	Resolution 4
Mr. Atsushi Shimizu	(Retiring under Regulation 96)	Resolution 5

 [See Explanatory Note (i) and (ii)].
3. To re-appoint Mr. Tan Ah Lye, Director of the Company who is over 70 years of age, retiring pursuant to Section 153(6) of the Companies Act, Chapter 50 of Singapore (the "Companies Act"). **Resolution 6**
4. To approve the payment of Directors' fees of S\$397,660 for the financial year ended 30 June 2016 (2015: S\$375,804). **Resolution 7**
5. To re-appoint Messrs Deloitte & Touche LLP, Certified Public Accountants, as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **Resolution 8**
6. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

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 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST")**

That pursuant to Section 161 of the Companies Act and Rule 806 of the Listing Manual of the "SGX-ST", the Directors of the Company be authorised and empowered to:

- (a) (i) issue shares in the Company ("shares") whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and
- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares pursuant to any Instrument made or granted by the Directors of the Company while this Resolution was in force,

(the "Share Issue Mandate")

provided that:

- (1) the aggregate number of shares (including shares to be issued pursuant to the Instruments, made or granted pursuant to this Resolution) and Instruments to be issued pursuant to this Resolution shall not exceed 50% of the total number of issued shares (excluding treasury shares) 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 20% of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares and Instruments that may be issued under sub-paragraph (1) above, the percentage of issued shares and Instruments shall be based on the number of issued shares (excluding treasury shares) 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 outstanding and subsisting at the time of the passing of this Resolution; and
 - (c) any subsequent bonus issue, consolidation or subdivision of shares;
- (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.

[See Explanatory Note (iii)]

Resolution 9

8. **Proposed Renewal of the Interested Person Transaction Mandate**

That:

- (a) approval be and is hereby given, for the purposes of Chapter 9 ("Chapter 9") of the Listing Manual of the SGX-ST, in particular for the purposes of Rule 920 of the Listing Manual of the SGX-ST in relation to a general mandate from the shareholders of the Company, for the Company, its subsidiaries and associated companies that are entities at risk (as that term is used in Chapter 9), or any of them, to enter into any of the transactions falling within the types of Interested Person Transactions (as described in Paragraph 5 of Appendix 1 of the circular to shareholders of the Company ("Circular") in relation to the proposed renewal of the interested person transaction mandate) with the Interested Persons (as that term is used in the Circular), provided that such transactions are made on normal commercial terms, not prejudicial to the interests of the Company and its minority shareholders, and in accordance with the guidelines and review procedures for such Interested Person Transactions (the "IPT Mandate");
- (b) the approval given in paragraph (a) above shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM of the Company; and
- (c) the Directors of the Company and any of them be and are hereby authorised to complete and do all such acts and things (including execution all such documents as may be required) as they or he may consider expedient or necessary or in the interests of the Company to give effect to the transactions contemplated and/or authorised by the IPT Mandate and/or this Resolution.

[See Explanatory Note (iv)]

Resolution 10

9. **Proposed Renewal of the Share Buy-Back Mandate**

That:

- (a) for the purposes of the Companies Act, the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire the issued ordinary shares in the capital of the Company ("Shares") (excluding treasury shares) not exceeding in aggregate the Prescribed Limit (as hereafter defined), at such price or price(s) as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereafter defined), whether by way of:
 - (i) on-market share buy-back, transacted on the ready market of the SGX-ST, or as the case may be, other stock exchange for the time being on which the Shares may be listed or quoted, through one or more duly licensed stockbrokers appointed by the Company for the purpose (the "On-Market Share Buy-Back"); and/or
 - (ii) off-market share buy-back (if effected otherwise than on the SGX-ST) in accordance with an equal access scheme(s) as may be determined or formulated by the Directors of the Company as they may consider fit and in the best interests of the Company, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act and the Listing Manual of the SGX-ST (the "Off-Market Share Buy-Back"), and otherwise in accordance with all other laws and regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "Share Buy-Back Mandate");
- (b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the proposed Share Buy-Back Mandate may be exercised by the Directors of the Company at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earlier of:
 - (i) the conclusion of the next AGM of the Company or the date by which such AGM is required by law to be held;
 - (ii) the date on which the purchases or acquisitions of the Shares by the Company pursuant to the proposed Share Buy-Back Mandate are carried out to the full extent mandated; or
 - (iii) the date on which the authority contained by the proposed Share Buy-Back Mandate is varied or revoked by ordinary resolution of the Company in a general meeting;
- (c) in this Resolution:

"Prescribed Limit" means the number of Shares representing ten percent (10%) of the total issued ordinary share capital of the Company (excluding treasury shares) as at the date of the passing of this Resolution unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period (as defined hereinafter), in which event the issued ordinary share capital of the Company (excluding treasury shares) shall be taken to be the amount of the issued ordinary share capital of the Company as altered (excluding any treasury shares that may be held by the Company from time to time);

"Relevant Period" means the period commencing from the date on which the last AGM was held and expiring on the date the next AGM is held or is required by law to be held, or the date on which the purchases of the Shares are carried out to the full extent mandated, whichever is earlier, unless prior to that, it is varied or revoked by resolution of the shareholders of the Company in a general meeting; and

"Maximum Price" in relation to a Share to be purchased, means an amount (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

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

where "Average Closing Price" means the average of the closing market prices of a Share over the last five (5) Market Days ("Market Day" being a day on which the SGX-ST is opened for securities trading), on which transactions in the Shares were recorded, immediately preceding the date of making the On-Market Share Buy-Back or, as the case may be, the date of making an announcement for an offer pursuant to the Off-Market Share Buy-Back, and deemed to be adjusted for any corporate action that occurs after the relevant five (5) day period; and
- (d) the Directors of the Company and any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they or he may consider expedient or necessary or in the interests of the Company to give effect to the transactions contemplated and/or authorised by the Share Buy-Back Mandate and/or this Resolution.

[See Explanatory Note (v)]

Resolution 11

By Order of the Board

Shirley Tan Sey Lij
 Company Secretary
 Singapore, 11 October 2016

Explanatory Notes:

- (i) Mr. Renny Yeo Ah Kiang will, upon re-election as a Director of the Company, remain as the Chairman of the Remuneration Committee and a member of the Audit and Risk Committee and Nominating Committee and will be considered independent pursuant to Rule 704(8) of the Listing Manual of the SGX-ST.
- (ii) Mr. Tan Keh Yan, Peter will, upon re-election as a Director of the Company, remain as the Chairman of the Nominating Committee and a member of the Audit and Risk Committee and Remuneration Committee and will be considered independent pursuant to Rule 704(8) of the Listing Manual of the SGX-ST.
- (iii) Resolution 9 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) 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) 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 outstanding or subsisting at the time when this Resolution is passed and any subsequent consolidation or subdivision of shares.

- (iv) Resolution 10 above, if passed, will authorise the Interested Person Transactions as described in the Appendix 1 of the Circular and recurring in the year and will empower the Directors of the Company to do all acts necessary to give effect to the IPT Mandate. This authority will, unless previously revoked or varied by the Company in a general meeting, expire at 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 the earlier.
- (v) Resolution 11 above, if passed, will empower the Directors of the Company from the date of this AGM until 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 the earlier, to repurchase ordinary shares of the Company by way of On-Market Share Buy-Back or Off-Market Share Buy-Back of up to ten per centum (10%) of the total number of issued shares (excluding treasury shares) in the capital of the Company at the Maximum Price as defined in the Appendix 2 of the Circular. The rationale for, the authority and limitation on, the sources of funds to be used for the purchase or acquisition including the amount of financing and the financial effects of the purchase or acquisition of ordinary shares by the Company pursuant to the Share Buy-Back Mandate on the audited consolidated financial accounts of the Group (as defined in the Circular) for the financial year ended 30 June 2016 are set out in greater detail in the Appendix 2 of the Circular.

Notes:

1. A member of the Company (other than a Relevant Intermediary*) entitled to attend and vote at the AGM is entitled to appoint not more than two (2) proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
2. A Relevant Intermediary* may appoint more than two (2) proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified).
3. Where a member of the Company appoint two (2) proxies, he shall specify the proportion of his shareholding to be represented by each proxy in the instrument appointing the proxies.
4. If the member is a corporation, the instrument appointing the proxy must be executed under seal or the hand of its duly authorised officer or attorney.
5. The instrument appointing a proxy must be deposited at the registered office of the Company's share registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623 not less than 48 hours before the time appointed for holding the AGM.

* A Relevant Intermediary is:

- (a) a banking corporation licensed under the Banking Act, Chapter 19 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, Chapter 289 of Singapore and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act, Chapter 36 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

Where a member of the Company submits an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, 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) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing 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), 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) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) 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.