



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

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CO REG. NO: 198101305R

GST REG. NO: M2-0043237-1

### USE OF PROCEEDS FROM THE INITIAL PUBLIC OFFERING

The Board of Directors of Sin Heng Heavy Machinery Limited (the “**Company**”) refers to the initial public offering of the Company’s shares (the “**IPO**”) and the Company’s prospectus dated 25 January 2010 (the “**Prospectus**”).

The Company wishes to provide an update on the use of net proceeds raised from the IPO (the “**IPO Proceeds**”). In accordance with the use of proceeds described in the section “Use of Proceeds” of the Prospectus, the Company has utilised S\$7.4 million of the IPO Proceeds comprising S\$5.6 million for the funding of the renewal and expansion of equipment rental fleet in Singapore, S\$0.4 million for the funding of the expansion of equipment rental fleets in Malaysia and Vietnam, and S\$1.3 million for expenses incurred in connection with the invitation. More details are tabulated below.

Intended Use as per the Prospectus	Amount Allocated (S\$'000) (A)	Amount Utilised Per Current Announcement (S\$'000) (B)	Balance Amount (S\$'000) (A)-(C)
Funding the renewal and expansion of equipment rental fleet in Singapore	10,000	5,644	4,356
Funding potential acquisitions, joint ventures and/or strategic alliances	2,000	-	2,000
Funding the expansion of equipment rental fleets in Malaysia and Vietnam	5,000	405	4,595
General working capital requirements	4,554	-	4,554
Funding expenses incurred in connection with the Invitation	1,326	1,326	-
<b>Net IPO Proceeds</b>	<b>22,880</b>	<b>7,375</b>	<b>15,505</b>

By Order of the Board

Tan Cheng Soon Don  
Managing Director

Date 11 May 2010

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*DBS Bank Ltd. is the Joint Issue Manager, Underwriter and Placement Agent and Stirling Coleman Capital Limited is the Joint Issue Manager for the Company's listing.*