



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\$8.4 million of the IPO Proceeds comprising S\$6.7 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) | Cumulative Amount Utilised to date (S\$'000) (C) | Balance Amount (S\$'000) (A)-(C) |
|---|--------------------------------|--|--|----------------------------------|
| Funding the renewal and expansion of equipment rental fleet in Singapore | 10,000 | 1,034 | 6,678 | 3,322 |
| 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 | - |
| Net IPO Proceeds | 22,880 | 1,034 | 8,409 | 14,471 |

By Order of the Board

Tan Cheng Soon Don
Managing Director

24 August 2010

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 on the SGX-ST.