



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

No. 26, Gul Road, Jurong Industrial Estate, Singapore 629346

Tel: (65) 6-861 6111, Fax: (65) 6-863 8616

Website: www.sinheng.com.sg

CO REG. NO: 198101305R

GST REG. NO: M2-0043237-1

ACQUISITION OF EQUITY INTEREST IN SINOLION GROUP HOLDINGS PTE. LTD.

The Board of Directors of Sin Heng Heavy Machinery Limited (“the Company”) wishes to announce that the Company has on 29 September 2010 invested in Sinolion Group Holdings Pte. Ltd. (“Sinolion”), an unrelated third party, by subscribing for a 30% equity stake in Sinolion, for a cash consideration of S\$2,068,116.60. Sinolion will then become an associated company of the Company.

Sinolion will in turn subscribe for a 25% equity stake in Yantai Guoyu Financial Leasing Co., Ltd (“Yantai Guoyu”). Yantai Guoyu, a Sino-Foreign Joint Venture between Sinolion and affiliates of the Yantai State-owned Assets Supervision and Administration Commission, is principally engaged in the leasing of engineering and heavy lifting equipment used in industrial facilities, offshore & marine fabrication yards and heavy engineering plants located in the Shandong Province of China.

The above investment will be funded through the Company’s internal cash resources and is not expected to have any material impact on the earnings per share and the net tangible assets per share of the Company for the current financial year ending 30 June 2011.

None of the Directors or substantial shareholder of the Company has any interest, direct or indirect, in the above acquisition.

By Order of the Board

Tan Cheng Soon Don
Managing Director

29 September 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.