



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

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**INVESTMENT IN SINOLION GROUP HOLDINGS PTE. LTD.**

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Sin Heng Heavy Machinery Limited (the “**Company**”) made an announcement on 29 September 2010 in relation to its subscription for a 30% equity stake in Sinolion Group Holdings Pte. Ltd. (“**Sinolion**”) for a cash consideration of S\$2,068,116.60.

The Board of Directors of the Company wishes to further elaborate that Sinolion, an investment holding company, will be used as a vehicle to invest in Yantai Guoyu Financial Leasing Co., Ltd (“**Yantai Guoyu**”), which is located in Yantai, in the People’s Republic of China.

The objective of entering into the venture is to expand the Company’s business overseas. Yantai Guoyu, which is already in the business of leasing engineering and heavy lifting equipment, will also work together with the Company on providing capital intensive heavy equipment for offshore and marine fabrication yards, heavy engineering plants etc. The investment is expected to open a gateway for the Company to establish linkages with multi-national corporations in its targeted industries in China.

The cash consideration for the subscription was arrived at on a “willing buyer, willing seller basis”.

By Order of the Board

Tan Cheng Guan  
Executive Director

4 October 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 on the SGX-ST.*