



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

INVESTMENT IN SINOLION GROUP HOLDINGS PTE. LTD.

Sin Heng Heavy Machinery Limited (the “**Company**”) made announcements on 29 September 2010 and 4 October 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 provide additional information on Sinolion’s investment in Yantai Guoyu Financial Leasing Co., Ltd (“**Yantai Guoyu**”).

The cash consideration for the subscription was arrived at on a “willing buyer, willing seller basis”, taking into account the independent valuation of the net tangible assets of Yantai Guoyu of approximately RMB 101.7 million (or S\$20.6 million) as at 31 May 2010. The independent valuation was commissioned by Yantai Guoyu.

Sinolion in turn subscribes for a 25% equity stake of the enlarged capital of Yantai Guoyu which is approximately RMB 136.4 million (or S\$27.5 million).

By Order of the Board

Tan Cheng Soon Don
Managing Director

8 October 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.