

## 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\$17.2 million of the IPO Proceeds comprising S\$10 million for the funding of the renewal and expansion of equipment rental fleet in Singapore, S\$2 million for the funding potential acquisitions, joint ventures and/or strategic alliances, S\$3.8 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	1,284	10,000	-
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	3,060	3,843	1,157
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	4,344	17,169	5,711

By Order of the Board

Tan Cheng Soon Don Managing Director

6 May 2011

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.