



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](http://www.sinheng.com.sg)

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**INCORPORATION OF SUBSIDIARY AND ESTABLISHMENT OF JOINT VENTURE, SH EQUIPMENT PTE. LTD.**

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The Board of Directors of Sin Heng Heavy Machinery Limited (the "Company") wishes to announce that the Company has today incorporated a new subsidiary, SH Equipment Pte. Ltd., in Singapore and the Company and Starhigh Asia Pacific Pte. Ltd. have entered into a joint venture arrangement whereby each has subscribed for 250,000 ordinary shares at S\$1.00 each. The Company and Starhigh Asia Pacific Pte. Ltd. each invested S\$250,000 in the share subscription. Under the joint venture arrangement, the Company and Starhigh Asia Pacific Pte. Ltd. each holds a 50% equity interest in SH Equipment Pte. Ltd.

Under the terms of the joint venture arrangement, the Company and Starhigh Asia Pacific Pte. Ltd. have agreed that SH Equipment Pte. Ltd. will incorporate a subsidiary in Myanmar for the purposes of undertaking heavy equipment leasing, rental, distribution and sales and such other business as the Company and Starhigh Asia Pacific Pte. Ltd. may decide. SH Equipment Pte. Ltd. will be principally engaged in heavy equipment leasing, rental, distribution and sales directly in Myanmar and indirectly through the Myanmar subsidiary. The Board concluded that the investment in SH Equipment Pte. Ltd. and the terms of the joint venture arrangement are of commercial benefit to and in the commercial interest of the Company.

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 2012.

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

By Order of the Board

Tan Cheng Soon Don  
Managing Director

14 March 2012