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## **Toyota Tsusho takes 27% stake in Sin Heng for \$26m; business alliance to generate synergies**

- **Toyota Tsusho buys into South East Asia's growth story, eyes Sin Heng's regional network**
- **Possibility of expanded product range, geographical expansion and more diversified customer base**
- **Derive operational efficiencies from the "Toyota Method"**

**SINGAPORE – 25 May 2012** – Mainboard-listed **Sin Heng Heavy Machinery Limited** ("Sin Heng" or the "Company") and its subsidiaries (collectively the "Group"), engaged mainly in the business of providing comprehensive heavy lifting solutions to the infrastructure and geotechnic, construction, offshore and marine as well as oil and gas industries, wishes to announce that Toyota Tsusho Corporation ("TTC"), a member of Toyota Motor (Corporation) Group, has acquired from SEAVI Advent Equity V (C) Ltd ("SEAVI"), the controlling shareholder of Sin Heng, an aggregate of 123.8 million shares of the Company, representing approximately 27.0% of the voting rights of the Company for a total consideration of \$26.0 million.

The Group has concurrently entered into a business alliance with TTC as TTC seeks to be a part of South East Asia's growth story, leveraging on the Group's extensive business network especially in Singapore, Malaysia, Vietnam and Indonesia. The Group has also recently incorporated a joint venture company with the objective of establishing a foothold in Myanmar, where on-going political and economic reforms hold the promise of abundant business opportunities as the nation emerges from decades of underdevelopment and isolation.

*"We are delighted to invest in Sin Heng at this opportune time as it embarks on a period of high growth fuelled by regional expansion. What caught our eye in particular is Sin Heng's sterling reputation, strong management team and extensive regional network in countries such as Myanmar, Malaysia and Vietnam."*

*We are confident that the business alliance will reap many benefits for both TTC and Sin Heng. We look forward to many years of rewarding collaboration."*

**Mr. Yuji Hamamoto, Executive Officer, Toyota Tsusho Corporation**

The business alliance is expected to benefit the Group in many ways. Firstly, the Group will have access to a wider marketplace leveraging on TTC's marketing network, subsidiaries and other resources. This is in line with the Group's strategy of regional expansion. In addition, the Group will be able to expand its product portfolio from the current crawler cranes, mobile cranes and aerial lifts to include broader crane-related equipment and general construction machinery such as vehicles for high altitude and heavy lifting work. This will be facilitated by TTC introduction to its affiliates which specialise in the manufacturing and distribution of construction machinery.

The Group's traction with Japanese customers shall be significantly boosted as Sin Heng is expected to enjoy speedier access to a wider Japanese customer base. It is the Group's intention to explore collaborative opportunities with Japanese rental companies and engage more customers involved in Official Development Assistance projects ("ODA projects") with TTC assistance in providing access to ODA projects.

Last but not least, the Group will gain valuable insight into the "Toyota Method", which shall be introduced in due course and continuously implemented. The Group hopes to better its efficiency in its day to day business operations, client relations and other business aspects.

***"We feel honoured to win TTC's trust and confidence. With the many synergies to be generated from this business alliance, the Group is confident of executing its strategy of regional expansion and setting in motion a period of strong growth. We believe that the fruits of our relentless strive for growth and improvement will reward TTC and all our shareholders."***

**Mr. Don Tan, Managing Director of Sin Heng**

#### **ABOUT SIN HENG HEAVY MACHINERY LIMITED**

Sin Heng Heavy Machinery is one of the leading home grown heavy lifting service providers in Singapore. With over 40 years of experience in the industry, the Group is now acting on its strategy to expand its regional presence. Our ventures in Myanmar, Vietnam and Malaysia strategically place the Group on a springboard to a period of strong growth. For the nine months ended fiscal year 2012, the Group registered revenue of SGD90.5 million and profit after tax of SGD 5.6 million. Meanwhile, total asset was recorded at SGD 185.4 million.

Listed on the SGX Mainboard in February 2010, Sin Heng counts as customers many major players in the infrastructure and geotechnic, construction, offshore and marine as well as oil and gas industries. The Group played a key role in a number of landmark infrastructure and construction projects in Singapore, including the Singapore Flyer, Marina Bay Sands Integrated Resort, Resorts World at Sentosa and Marina Coastal Expressway.

Our track record and sterling reputation have earned us the dealership rights for the sale and distribution of cranes and spare parts for Kobelco, one of the world's top crane manufacturers. We are also the authorised distributor for Kato, one of the world's leading hydraulic crane manufacturers, to deal in new cranes and spare parts in Brunei and Malaysia.

For more information, please refer to <http://www.sinheng.com.sg/>

### **ABOUT TOYOTA TSUSHO CORPORATION**

A member of Toyota Motor (Corporation) Group, Toyota Tsusho Corporation is listed on the First Section of the Tokyo Stock Exchange. It is a general trading company that develops business together with over 400 consolidated Group companies in Japan and overseas and with customers around the world, via a global network covering Japan and more than 60 other countries worldwide. For the fiscal year ended 31 March 2012, Toyota Tsusho Corporation recorded a revenue of JPY5,916.7 billion (SGD94.2 billion) and net income of JPY66.2 billion (SGD1.1 billion). Its total assets stood at JPY2,837.4 billion (SGD43.2 billion).

Toyota Tsusho has a divisional system made up of seven divisions, namely the Metals Division, the Global Production Parts & Logistics Division, the Automotive Division, the Machinery, Energy & Project Division, the Chemicals & Electronics Division, the Produce & Foodstuffs Division, and the Consumer Products, Services & Materials Division. With this system, the Company provides products and services in a broad range of business domains that are essential to realizing the creation of a prosperous and fulfilling society.

*For more information, please refer to <http://www.toyota-tsusho.com/>*

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Issued for and on behalf of Sin Heng Heavy Machinery Limited

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