



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

BUSINESS ALLIANCE AGREEMENT

1. INTRODUCTION

The Board of Directors of Sin Heng Heavy Machinery Limited (the “**Company**”) wishes to announce that pursuant to a stock purchase agreement dated 25 May 2012 entered into between SEAVI Advent Equity V (C) Ltd (“**SEAVI**”), the controlling shareholder of the Company, and Toyota Tsusho Corporation (“**TTC**”), TTC as the purchaser has undertaken to purchase from SEAVI an aggregate of one hundred and twenty three million eight hundred thousand (123,800,000) shares of the Company representing approximately 27.0% of the voting rights of the Company (the “**Acquisition**”) with a total consideration of S\$26.0 million.

In connection with the Acquisition, TTC has entered into a business alliance agreement (“**BAA**”) dated 25 May 2012 with the Company under which both parties have agreed to maintain a mutually beneficial relationship as business partners in growing the markets in Southeast Asia.

Salient terms of the BAA are set out below.

2. PRINCIPAL TERMS OF THE BAA

(A) Expansion of Marketplace of the Company

The Company, which currently conducts its Southeast Asian business mainly by itself in Singapore and through its subsidiaries in Malaysia and Vietnam, has undertaken to expand its marketplace throughout Southeast Asian countries. To achieve this objective, TTC will assist the Company by referring the Company to its marketing network, subsidiaries, and other resources in Southeast Asian countries. The Company shall utilize such resources to be provided by TTC as much as practicable. In the event the Company desires to establish a new company in any Southeast Asian country, the Company shall first consider establishing a joint venture company between TTC and the Company in such country.

(B) Expansion of the Product Lines of the Company

The Company, which currently specializes in dealing with crawler cranes, mobile cranes, and aerial lifts, shall endeavour to expand its product line to broader crane-related equipment and other general construction machinery. To achieve this objective, TTC will assist the Company by providing professional advice on the construction machinery business based on its in-depth knowledge and long-term experience, and by referring the Company to TTC group companies, which manufacture construction machinery such as vehicles for high altitude and heavy lifting work. The Company shall utilize such product resources to be provided by TTC as much as practicable.

(C) Japanese Customers

The Company shall endeavour to expand its business to Japanese general contractors by utilizing TTC's marketing channels subject to TTC's consent and other terms and conditions designated by TTC. The Company shall further endeavour to explore cooperative/collaborative opportunities with Japanese rental companies to expand its business to Japanese customers. To achieve this objective, TTC will assist the Company, and the Company shall cooperate with TTC.

(D) ODA Projects

The Company shall endeavour to engage more customers involved with official development assistance projects ("**ODA Projects**"). TTC will assist the Company by providing information with respect to ODA Projects, and the Company shall cooperate with TTC.

(E) Continuous Improvement by the "Toyota Method"

The Company shall endeavor to improve its business development, client relations, management, corporate governance, efficiency in operations, and other business related activities. To achieve these objectives, TTC will assist the Company by introducing the "Toyota Method", which includes safety criteria and improvement activities to the Company. The Company shall cooperate with TTC to continuously implement the "Toyota Method".

(F) Governing Law

The BAA shall be governed by and interpreted and enforced in accordance with the laws of Singapore without giving effect to the choice-of-law provisions thereof.

3. DIRECTORS AND SUBSTANTIAL SHAREHOLDERS INTEREST IN THE BAA

None of the directors of the Company or substantial shareholders is interested, directly or indirectly, in the BAA.

By Order of the Board

Tan Cheng Soon Don

Managing Director

25 May 2012