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## **Sin Heng’s net profit up 16.6% y-o-y to S\$9.4 million for FY 2012**

- Revenue up 20.8% to S\$129.2 million on broad-based improvement across geographical markets and business segments
- Proposes final dividend of 0.55 cent per share, maintaining full year dividend payout of 1 Singapore cent per share

**SINGAPORE – 28 August 2012** – Mainboard-listed **Sin Heng Heavy Machinery Limited** (“Sin Heng” or the “Company”) and its subsidiaries (collectively the “Group”), a leading provider of comprehensive lifting solutions to the infrastructure and geotechnic, construction, offshore and marine as well as oil and gas industries, improved its net profit for its financial year ended 30 June 2012 (“FY2012”) to S\$9.4 million, up 16.6% year-on-year (y-o-y).

<b>Financial Highlights</b>	<b>FY2012</b>	<b>FY2011</b>	<b>Chg</b>
	<b>S\$’000</b>	<b>S\$’000</b>	<b>%</b>
Revenue	129,187	106,929	20.8
Gross Profit	20,379	16,892	20.6
Gross Profit Margin	15.8%	15.8%	-
Profit for the period	9,417	8,078	16.6
Net Profit Margin	7.3%	7.6%	-
Basic Earnings Per Share (cents)	2.03	1.76	

The improvement of profit was on the back of a 20.8% y-o-y increase in revenue to S\$129.2 million, attributable to higher contributions from the Group’s two business segments, namely the equipment rental segment and the trading segment.

The trading segment remains the major revenue contributor at 68.9%. For FY2012, this segment registered an improvement of 21.2% to S\$89.1 million due to higher volume of

cranes traded. Likewise, revenue for the equipment rental segment also registered an increase of 20.0% to S\$40.1 million on an expanded fleet size as well as improved rental rates.

**Commenting on the improvement in the Group's revenue, Mr Don Tan, Managing Director of Sin Heng, said, "Our overseas subsidiaries have performed well in FY2012, contributing to approximately half of the increase in our turnover."**

The Group has been mindful of maintaining profit margins in its pursuit of regional growth. For FY2012, gross profit and net profit margins stood at 15.8% and 7.3% respectively.

Over FY2012, the Group has made significant headways in its regional expansion plans. In March 2012, the Group took the first steps in its expansion into Myanmar with the incorporation of a subsidiary – SH Equipment Pte Ltd – as a joint venture with Starhigh Asia Pacific Pte Ltd. In addition, the Group announced a business collaboration with Toyota Tsusho Corporation in May 2012, which is expected to broaden the Group's market presence and expand its range of products and services offered amongst others.

The complementary business model of rental and trading of cranes and aerial lifts have proven to be successful in Singapore, Malaysia and Vietnam. **Mr Tan elaborated, "We intend to replicate our business model to other markets. Our successful working partnerships with our principal brands such as Kobelco and Kato and project clients have in a big way helped us enter and expand our overseas markets."**

Attesting to the quality of its commitment and reliability of service, the Group's recent authorised distributorship agreement with Kato Works Co. Ltd to sell Kato cranes in Indonesia epitomises the fruitful result of a successful working relationship.

The sterling set of FY2012 results encapsulate the success the Group has made through its relentless efforts in its regional expansion plans to bring growth. Apart from organic growth, the Group is always on constant lookout to explore on possible business opportunities in the region.



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

Sin Heng Heavy Machinery Limited, a leading home grown lifting service provider in Singapore has a history of over 40 years. Our core business activities are the rental and trading of cranes, aerial lifts and other lifting equipment. In addition, we undertake turnkey project engineering services as well as sales and distribution of related parts.

In recognition of our service excellence and achievements, we were named the Singapore's third most enterprising company in the prestigious Enterprise 50 awards (2009). We are also accredited with the bizSafe3 certification (2010) by the Workplace Safety and Health Council for our strict compliance and safety and efficiency standard at worksites.

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.

Over the years, the Group has also strategically ventured into Vietnam and Malaysia through the setting up of subsidiaries and joint ventures. Our overseas operations are fully equipped with a comprehensive range of quality cranes and aerial lifts and are supported by our team of professionals. To-date, we have also built up a vast portfolio of global customers.

Our track record and sterling reputation have also earned us the dealership rights for the sale and distribution of cranes and 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 parts in Indonesia, Malaysia and Brunei.

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

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Issued for and on behalf of Sin Heng Heavy Machinery Limited

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