

For Immediate Release

**Sin Heng's FY2013 net profit up 45.1%
y-o-y to S\$13.7 million on Group's expanded fleet size and
higher trading sales**

- Revenue up 44.3% to S\$186.5 million on broad-based improvement across geographical markets and business segments.
- Proposes final dividend of 0.45 Singapore cent per share for a full year dividend of 0.8 Singapore cent per share.
- Complementary rental and trading business model proven successful, Group to continue expansion plan in new and existing markets.

Financial Highlights	FY2013	FY2012	Change (%)
Revenue (S\$'000)	186,495	129,187	+44.3
Gross Profit (S\$'000)	30,231	20,379	+48.3
<i>Gross Profit Margin (%)</i>	<i>16.2</i>	<i>15.8</i>	<i>+0.4 pts</i>
Profit for the year (S\$'000)	13,667	9,417	+45.1

SINGAPORE – 28 August 2013 – 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, reported a surge of 45.1% year-on-year (y-o-y) in its net profit to S\$13.7 million for its financial year ended 30 June 2013 (“FY2013”).

The higher profit was due to a 44.3% y-o-y increase in revenue to S\$186.5 million which was a result of broad-based improvement across geographical markets and business segments. Revenue of trading segment increased 49.3% to S\$133.0 million mainly due to the higher volume of cranes traded, whereas revenue of equipment rental segment improved 33.3% to S\$53.5 million mainly due to the increase in revenue from expanded fleet size. The overall contributions from our subsidiaries had also shown a y-o-y improvement in both revenue and profit.

Apart from achieving higher sales, the Group has also improved its gross profit margin to 16.2% for FY2013 from 15.8% for FY2012. Consequently, gross profit jumped 48.3% to S\$30.2 million. With the enhanced business activities, administrative expenses, other operating expenses and finance costs had also increased. Notwithstanding these cost increases, the Group's net profit rose 45.1% to S\$13.7 million in FY2013.

Sin Heng's basic earnings per share rose to 3.0 Singapore cents from 2.0 Singapore cents while the net asset value per share rose to 22.0 Singapore cents as at 30 June 2013 from 20.0 Singapore cents as at 30 June 2012.

Commenting on the sterling financial performance, Mr Don Tan, Managing Director of Sin Heng, said, "We will continue to expand our business in the region. By also leveraging on the network of our second largest shareholder, Toyota Tsusho Corporation, we are definitely in a better position to broaden our market presence."

In FY2013, the Group continued to expand its business in its new markets. In Indonesia, it incorporated a wholly-owned subsidiary, PT SH Machinery Indonesia, to engage in the wholesale of equipment and after sales service. In Myanmar, its JV company, SH Equipment Pte Ltd incorporated SH Equipment (Myanmar) Company Limited to engage in the leasing of heavy machinery.

We have introduced our complementary business model of rental and trading to our overseas subsidiaries. **Mr Tan elaborated, "We have already taken steps to implement this model and grow our business activities in Malaysia and Vietnam and, albeit small, in Myanmar. These markets offer huge potential, and with our close working relationship with our principal brands and project clients, our business can potentially grow bigger there."**

Sin Heng, one of the largest world buyers of Kobelco cranes, had recently celebrated its 300th unit milestone. Besides Kobelco, Sin Heng is also the authorised distributor of another global leading hydraulic crane manufacturer, Kato, in its markets, namely Brunei, Indonesia and Malaysia. In addition, Sin Heng has also been granted the distributorship to deal in mini crawler cranes, known as Mighty Cranes, and its related parts in countries such as Brunei, Indonesia, Malaysia, Myanmar and Singapore.



Sin Heng's Executive Director, Mr Tan Cheng Guan commented, "We have promoted Kobelco and Kato cranes successfully in Asia. This success has been built upon the strength and dynamism of the long term relationship with our partners. We are confident that Sin Heng will reach a greater height, made possible by our vast experience and knowledge, our professional staff and excellent services and above all, the reliability of Kobelco and Kato cranes."

The Group is ready for the new potential growth ahead and is encouraged by the active participation of its shareholders in the recent rights issue. The proceeds raised has increased the Group's capital base, strengthened its balance sheet and enhanced it financial flexibility in capitalizing on potential opportunities.

In appreciation of the support from shareholders, the Group is proposing a final dividend of 0.45 Singapore cent per share for a modest full year dividend of 0.80 Singapore cent per share, inclusive of the interim dividend paid out earlier in the year.

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ABOUT SIN HENG HEAVY MACHINERY LIMITED

Sin Heng Heavy Machinery is one of the leading home grown 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.

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 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, Malaysia and Indonesia. In addition, we are granted the distributorship to deal in mini crawler cranes known as Mighty Cranes and its related parts in Brunei, Indonesia, Malaysia, Myanmar and Singapore.

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

Issued for and on behalf of Sin Heng Heavy Machinery Limited

By Financial PR Pte Ltd

For more information, please contact:

EL Lee

el@financialpr.com.sg

Tel: (65) 6438 2990, Fax: (65) 6438 0064