



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

INCORPORATION OF AN ASSOCIATED COMPANY

The Board of Directors of Sin Heng Heavy Machinery Limited (the "Company") wishes to announce that it has, through its subsidiary, SH Heavy Machinery Sdn. Bhd. ("SHMSB"), on 12 November 2015, incorporated a 49% owned associated company, Bestari Industrial Holdings Sdn. Bhd. ("BIHSB"), in Malaysia. The remaining 51% shareholding in BIHSB are held by Mr. Chen Fock Cheong ("CFC") (26%) and Ms. Seh Yi Xuan ("SYX") (25%) respectively.

BIHSB is set up primarily as an investment holding company for its business operations in Malaysia. Its initial issued and paid up share capital is RM 100.00 divided into 100 ordinary shares of RM 1.00 per share.

The investment in BIHSB will be funded from internal resources and is not expected to have any material impact on the Company's net tangible assets per share and consolidated earnings per share for the current financial year.

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the above transaction, other than through their respective interests (if any) in the Company.

By Order of the Board

Tan Cheng Soon Don
Managing Director
12 November 2015