

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Twenty-Ninth Annual General Meeting of Sin Heng Heavy Machinery Limited (the "Company") will be held at Raffles Marina, No. 10, Tuas West Drive, Singapore 638404 on Thursday, 21 October 2010 at 10:00 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and the Audited Financial Statements of the Company for the year ended 30 June 2010 together with the Auditors' Report thereon. (Resolution 1)
2. To declare a final one-tier tax-exempt cash dividend of 0.55 Singapore cents for each ordinary share held in the capital of the Company in respect of the financial year ended 30 June 2010. (Resolution 2)
3. To re-elect Mr. Tan Cheng Guan retiring by rotation under Article 89 of the Company's Articles of Association and who, being eligible, offers himself for re-election. (Resolution 3)
4. To re-elect Mr. Tan Cheng Kwong retiring by rotation under Article 89 of the Company's Articles of Association and who, being eligible, offers himself for re-election. (Resolution 4)
5. To re-elect Mr. Yeo Yun Seng, Bernard retiring by rotation under Article 96 of the Company's Articles of Association and who, being eligible, offers himself for re-election.
Mr. Yeo Yun Seng, Bernard, a Non-Executive and Independent Director, will upon re-election as Director of the Company, remain as Chairman of the Audit Committee and member of the Remuneration Committee of the Company. (Resolution 5)
6. To re-elect Mr. Tan Keh Yan, Peter retiring by rotation under Article 96 of the Company's Articles of Association and who, being eligible, offers himself for re-election.
Mr. Tan Keh Yan, Peter, a Non-Executive and Independent Director, will upon re-election as Director of the Company, remain as Chairman of the Nominating Committee and member of the Audit Committee. (Resolution 6)
7. To re-elect Mr. Renny Yeo Ah Kiang retiring by rotation under Article 96 of the Company's Articles of Association and who, being eligible, offers himself for re-election.
Mr. Renny Yeo Ah Kiang, a Non-Executive and Independent Director, will upon re-election as Director of the Company, remain as Chairman of the Remuneration Committee and member of the Nominating Committee. (Resolution 7)
8. To approve the payment of Directors' fees of S\$275,863 for the financial year ended 30 June 2010. (Resolution 8)
9. To re-appoint Deloitte & Touche LLP as the Auditor of the Company and to authorise the Directors of the Company to fix their remuneration. (Resolution 9)

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions of Ordinary Resolutions, with or without any modifications:

10. Mandate to issue shares in the capital of the Company

That authority be and is hereby given to the Directors to:

- (a) (i) issue shares in the Company ("shares") whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, the "instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,
at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and
- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any instrument made or granted by the Directors while this Resolution was in force,
provided that:
 - (1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of instruments made or granted pursuant to this Resolution) by way of renounceable rights issues on a pro rata basis to shareholders of the Company ("Renounceable Rights Issues") and otherwise than by way of Renounceable Rights Issues ("Other Share Issues") shall not exceed 50 per cent of the total number of issued shares in the capital of the Company excluding treasury shares (as calculated in accordance with paragraph (3) below), of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company shall not exceed 20 per cent of the total number of issued shares in the capital of the Company excluding treasury shares (as calculated in accordance with paragraph (3) below). Notwithstanding the above, the 50 per cent limit for Renounceable Rights Issues may be increased to 100 per cent;
 - (2) the Renounceable Rights Issues and Other Share Issues shall not, in aggregate, exceed 100 per cent of the total number of issued shares in the capital of the Company excluding treasury shares (as calculated in paragraph (3) below);
 - (3) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under paragraph (1) above, the percentage of issued shares shall be based on the total number of issued shares in the capital of the Company excluding treasury shares at the time this Resolution is passed, after adjusting for:
 - (i) new shares arising from the conversion or exercise of any convertible securities
 - (ii) new shares arising from exercise of share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and
 - (iii) any subsequent bonus issue, consolidation or subdivision of shares;
- (c) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association for the time being of the Company; and
- (d) unless revoked or varied by the Company in General Meeting, the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier, or in relation to the additional increase of a further 50 per cent limit for Renounceable Rights Issues, until 31 December 2010 or such other deadline as may be extended by the SGX-ST, whichever is earlier.

[See Explanatory Note (i)]

(Resolution 10)

11. The Proposed Mandate to issue shares in the capital of the Company at a discount

- a) That subject to and on a pro-rata basis to shareholders of the Company at an issue price per new share which shall be determined by the Directors in their absolute discretion provided that such price shall not represent more than a 20 per cent discount to the weighted average price per share determined in accordance with the requirements of the SGX-ST.
- b) Unless revoked or varied by the Company in General Meeting, the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, or 31 December 2010 or such other deadline as may be extended by the SGX-ST, whichever is the earlier.

[See Explanatory Note (ii)]

(Resolution 11)

NOTICE OF BOOKS CLOSURE DATE AND PAYMENT DATE FOR FINAL DIVIDEND

NOTICE IS HEREBY GIVEN that subject to approval being obtained at the Annual General Meeting to be held at Raffles Marina, No. 10, Tuas West Drive, Singapore 638404 on Thursday, 21 October 2010 at 10:00 a.m. -

1. A final one-tier tax-exempt cash dividend of 0.55 Singapore cents per ordinary share on the financial year ended 30 June 2010 will be paid on 18 November 2010.
2. The Share Transfer Book and Register of Members of the Company will be closed on 3 November 2010 for the preparation of dividend payment. Duly completed registrable transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, Singapore Land Tower, #32-01, Singapore 048623 up to 5.00 p.m. on 2 November 2010 will be registered to determine shareholders' entitlement to the proposed final dividend.
Shareholders whose securities account with The Central Depository (Pte) Limited are credited with shares at 5.00 p.m. on 2 November 2010 will be entitled to the proposed final dividend.

By Order of the Board

Mr. Tan Cheng Soon Don
Managing Director
Singapore
6 October 2010

Explanatory Notes:

- (i) The Resolution 10 in item 10 above empowers the Directors to issue shares in the capital of the Company and to make or grant instruments (such as warrants or debentures) convertible into shares, and to issue shares in pursuance of such instruments, up to a number not exceeding (i) 50% for Renounceable Rights Issues and (ii) 50% for Other Share Issues, of which up to 20% may be issued other than on a pro rata basis to shareholders, provided that the total number of shares which may be issued pursuant to (i) and (ii) shall not exceed 100% of the issued shares (excluding treasury shares) in the capital of the Company. For the purpose of determining the aggregate number of shares that may be issued, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time that Resolution 10 is passed, after adjusting for (a) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time that Resolution 10 is passed, and (b) any subsequent bonus issue or consolidation or subdivision of shares.

The 50% limit referred to for Renounceable Rights Issues in the paragraph above may be increased to 100% for the Company to undertake pro-rata renounceable rights issues. The authority for 100% Renounceable Rights Issues is proposed pursuant to the SGX-ST news release of 19 February 2009 ("SGX News Release"), which introduced further measures to accelerate and facilitate issuers' fund raising efforts, and will expire on 31 December 2010 unless extended. It will provide the Directors with an opportunity to raise funds and avoid prolonged market exposure by reducing the time taken for shareholders' approval, in the event the need arises. Minority shareholders' interests are mitigated as all shareholders have equal opportunities to participate and can dispose their entitlements through trading of nil-paid rights if they do not wish to subscribe for their rights shares. It is subject to the condition that the Company makes periodic announcements on the use of the proceeds as and when the funds are materially disbursed and provides a status report on the use of proceeds in the annual report.

- (ii) The Ordinary Resolution 11 above is proposed pursuant to the SGX News Release. Under the measures implemented by the SGX-ST, issuers will be allowed to undertake non pro-rata placements of new shares priced at discounts of up to 20% to the weighted average price for trades done on the SGX-ST for a full market day on which the placement or subscription agreement in relation to such shares is executed, subject to the conditions that (a) shareholders' approval be obtained in a separate resolution (the "Resolution") at a general meeting to issue new shares on a non pro-rata basis at discount exceeding 10% but not more than 20%; and (b) that the resolution seeking a general mandate from shareholders for issuance of new shares on a non pro-rata basis is not conditional upon the Resolution.

It should be noted that under the Listing Manual of the SGX-ST, shareholders' approval is not required for placements of new shares, on a non pro-rata basis pursuant to a general mandate, at a discount of up to 10% to the weighted average price for trades done on the SGX-ST for a full market day on which the placement or subscription agreement in relation to such shares is executed.

Notes:

1. A Member entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a Member of the Company.
2. The instrument appointing a proxy must be deposited at the registered office of the Company's share registrar Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623, not less than forty-eight (48) hours before the time appointed for holding the Annual General Meeting.
DBS Bank Ltd. is the Joint Issue Manager, Underwriter and Placement Agent and Stirling Coleman Capital Limited is the Joint Issue Manager for the Company's listing on the SGX-ST.