



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

ASSOCIATED COMPANY DISPOSES ITS INVESTMENT IN CHINA

The Board of Directors of Sin Heng Heavy Machinery Limited (the "**Company**") wishes to announce that an associated company, Sinolion Group Holdings Pte. Ltd., has entered into a sale and purchase agreement on 13 June 2014 to sell its entire investment representing 25% of the total issued and fully paid-up share capital of Yantai Guoyu Financial Leasing Co., Ltd to HONGKONG GUOTAI INTERNATIONAL HOLDINGS CO.,LIMITED ("**Proposed Sale**"). Such a transaction is conditional upon the approval of the Ministry of Commerce in the People's Republic of China.

The consideration of the Proposed Sale is approximately RMB 35.9 million (or equivalent to S\$7.18 million¹) and shall be satisfied wholly in cash.

The Proposed Sale is not expected to have any material impact on the consolidated earnings per share and the net tangible asset per share of the Company and its Group for the financial year ending 30 June 2014.

The Company will continue to explore business opportunities to expand its overseas presence in the People's Republic of China.

None of the Directors and substantial shareholders of the Company has any interest, direct or indirect, in the above transactions.

By Order of the Board

Tan Cheng Soon Don
Managing Director

16 June 2014

¹ The Singapore Dollar equivalent of the consideration has been calculated on the basis of an exchange rate of RMB1:S\$0.20.