



新興重型機械有限公司
SIN HENG HEAVY MACHINERY LIMITED

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CO REG. NO: 198101305R
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PROPOSED ACQUISITION OF PROPERTY LOCATED AT 21 GHIM MOH ROAD #01-213 SINGAPORE 270021

1. INTRODUCTION

The Board of Directors (the “**Directors**” or the “**Board**”) of Sin Heng Heavy Machinery Limited (“**Company**” and together with its subsidiaries, “**Group**”) wishes to announce that the Company has on 5 November 2024, been granted by BMAGR Pte. Ltd. (the “**Vendor**”) an Option to Purchase (“**Option**”) the property located at 21 Ghim Moh Road, #01-213, Singapore 270021 (the “**Property**”) for a consideration of S\$2,775,000 (“**Proposed Acquisition**”). The Company intends to incorporate a wholly owned subsidiary for the purpose of the Proposed Acquisition (“**Purchaser**”).

The Vendor is a private company incorporated in Singapore on 14 April 2014 and has an issued and paid-up share capital of S\$2,000,000 comprising 2,000,000 ordinary shares. The Vendor and its associates are independent and unrelated third parties to the Company, its directors and controlling shareholders or their respective associates. The principal activity of the Vendor is other holding company.

2. INFORMATION RELATING TO THE PROPERTY

The Property is a 2-storey leasehold shophouse located at 21 Ghim Moh Road, Singapore 270021. The details of the Property are as follows:

S/No.	Address	Strata Floor Area	Tenure	Purchase Consideration	Indicative Valuation
1.	#01-213	137 square metres	82 years lease granted by HDB commencing 1 April 1994 and its remaining lease period is approximately 52 years.	S\$2,775,000	\$2,775,000

The consideration for the Proposed Acquisition of the Property of S\$2,775,000 (“**Purchase Consideration**”) was arrived at pursuant to arm’s length negotiations, on a willing-buyer, willing- seller basis, with due consideration given to the indicative valuation of S\$2,775,000 as at 30 October 2024. The finalised valuation report for the Property will be issued by the valuer commissioned by the Company prior to the exercise of the Option and will be available for inspection.

The payment terms for the Proposed Acquisition of the Property will be as follows:

- (a) 1% of the Purchase Consideration as the Option money ("**Option Money**") upon issuance of the Option by the Vendor;
- (b) 4% of the Purchase Consideration upon the exercise of the Option; and
- (c) the balance 95% of the Purchase Consideration upon Completion (As defined herein) of the Proposed Acquisition.

The Purchase Consideration and related transaction cost will be satisfied in cash and funded via the Group's internal resources.

3. SALIENT TERMS OF THE PROPOSED ACQUISITION

The Proposed Acquisition is subject to, *inter alia*, the following terms:-

- (a) The terms and conditions ("**T&C**") set out in the Option and "The Singapore Law Society's Conditions of Sale 2020" (the "**Conditions**") in so far as the Conditions:
 - (i) are applicable to a sale by private treaty and are not varied by or inconsistent with the T&C; and
 - (ii) are not contrary to or conflict with the Conveyancing & Law of Property (Conveyancing) Rules 2011 and Singapore Academy of Law (Conveyancing Money) Rules 2011, (if applicable).
- (b) The written approval granted by the Housing and Development Board ("HDB") and other relevant government authorities granting their respective written approvals, where applicable.
- (c) The Property is being sold with a condition of tenancy ending on 30th November 2026;
- (d) The Property is being sold with a condition for renewal or continued use of the Property which is currently approved for use as "Family Restaurant" or such other equivalent term may be used by the relevant authority;
- (e) Completion of the Proposed Acquisition of Property ("**Completion**") shall take place on the latest of:-
 - (i) Nine (9) weeks from the date of exercise of the Option; or
 - (ii) Four (4) weeks from the date of HDB's approval.

4. RATIONALE FOR THE PROPOSED ACQUISITION

The Property is purchased for investment purposes.

5. EXERCISE OF OPTION

The Option may be exercised by the Purchaser on the latest of:

- (i) the 22nd day of November 2024 at 4.00 p.m; or
- (ii) one (1) week from the date of the the Purchaser or Purchaser's solicitors receipt from the Vendor, of the approval from relevant authorities for the renewal or continued use of the Property which is currently approved for use

as a “Family Restaurant” or such other equivalent term as may be used by the relevant authority,

If the Option is not exercised by the Purchaser in accordance with the terms of the Option, it shall become null and void and it will of no further effect whatsoever, and the Vendor shall forfeit the Option Money absolutely and thereafter neither party shall have any claim against the other whatsoever.

6. RELATIVE FIGURES COMPUTED BASED ON RULE 1006 OF THE LISTING RULES

Based on the latest announced unaudited interim consolidated financial statements of the Group for the six-month ended 30 June 2024 (“HY2024”), the relative figures in relation to the Proposed Acquisition computed on the bases set out under Rule 1006 of the Listing Manual are as follows:

Rule	Basis	Relative Figures
1006(a)	Net asset value of the Property, compared with the Group’s net asset value.	Not applicable ⁽¹⁾
1006(b)	Net profits attributable to the Property, compared with the Group’s net profits.	Not meaningful ⁽²⁾
1006(c)	The aggregate value of the consideration given or received, compared with the Company’s market capitalisation, based on the total number of issued shares excluding treasury shares.	5.1% ⁽³⁾
1006(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable ⁽⁴⁾
1006(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group’s proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil or gas company, but not to an acquisition of such assets.	Not applicable ⁽⁵⁾

Notes:

- (1) This is an acquisition of asset not a disposal.
- (2) Assuming the Property continued to be rented out at the current rental rate and taking into consideration factors such as depreciation, property tax and insurance. The relative figure is less than positive one percent.
- (3) This figure is based on the Purchase Consideration of S\$2,775,000 and the Company’s market capitalisation of approximately S\$54,919,003. The Company’s market capitalisation was computed based on the Company’s existing issued and paid-up capital of 108,750,500 ordinary shares (excluding treasury shares and subsidiary shares) (“Shares”) and the volume weighted average price of S\$0.505 per Share on 1 November 2024, which is the last full market day on which the Shares were traded prior to the date of the Option.
- (4) No equity securities are issued as consideration for the Proposed Acquisition.
- (5) The Company is not a mineral, oil or gas company.

As the relative figure computed for Rule 1006(c) exceeds 5.0% but does not exceed 20.0%, the Proposed Acquisition is classified as a "discloseable transaction" under Rule 1010 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST").

7. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

The Proposed Acquisition is not expected to have any significant impact on the Group's financial performance for the current financial year.

8. DIRECTORS AND CONTROLLING SHAREHOLDERS' INTEREST

None of the Directors or controlling shareholders of the Company and their respective associates has any interest, direct or indirect, in the Proposed Acquisition, other than through their respective shareholdings (if any) in the Company.

9. SERVICE CONTRACT

No person is proposed to be appointed to the Board in connection with the Proposed Acquisition. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

10. DOCUMENTS FOR INSPECTION

A copy of the Option is available for inspection during normal business hours at the Company's registered office at 26 Gul Road, Singapore 629346 for three (3) months from the date of this announcement.

11. FURTHER ANNOUNCEMENT

The Company will make further announcements in relation to the Proposed Acquisition as and when there are material developments.

BY ORDER OF THE BOARD

Tan Ah Lye
Executive Director and Chief Executive Officer
5 November 2024