

PRESS RELEASE

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Sin Heng, one of the leading heavy lifting service providers in Singapore, launches IPO

- *Focused on the mid-to-high lifting capacity segment with a proven track record in infrastructure and geotechnic projects*
 - *Invitation Price at S\$0.26 per Invitation Share*
- *Net proceeds of S\$21.6 million to be used mainly to expand equipment rental fleet in Singapore, Malaysia and Vietnam*

SINGAPORE – 25 January 2010 – Sin Heng Heavy Machinery Limited, (“Sin Heng” and, together with its subsidiaries “the Group”), one of the leading heavy lifting service providers in Singapore focusing on the mid-to-high lifting capacity segment with customers in the infrastructure and geotechnic, construction, offshore and marine, as well as oil and gas industries, today launched its initial public offering (“IPO”) of 168,000,000 Invitation Shares (comprising 88,000,000 New Shares and 80,000,000 Vendor Shares) at S\$0.26 each, in conjunction with its listing on the Main Board of the Singapore Exchange Securities Trading Limited (“SGX-ST”).

DBS Bank Ltd. is the Joint Issue Manager, Underwriter and Placement Agent and Stirling Coleman Capital Limited is the Joint Issue Manager for Sin Heng’s listing on the SGX-ST.

Invitation Shares

The Invitation of 168,000,000 Invitation Shares, which comprises 88,000,000 New Shares and 80,000,000 Vendor Shares, represents approximately 36.6% of the Group’s enlarged share capital of 459,640,000 shares. In connection with the IPO, there will be an over-allotment option of up to 16,800,000 Additional Shares representing not more than 10% of the Invitation Shares.

At S\$0.26 per Invitation Share, the Invitation is priced at a historical price earnings ratio of 4.4 times, based on the Group’s net earnings per share of 5.91 cents for FY2009 and pre-Invitation share capital of 371,640,000 Shares.

The Invitation comprises 9,600,000 Offer Shares available to the public for subscription and/or purchase and 158,400,000 Placement Shares.

The public offer will open at 9 a.m. on 26 January 2010 and will close at 12 noon on 1 February 2010. Listing and trading of the Shares on the SGX-ST is expected to commence at 9 a.m. on 3 February 2010.

Corporate Profile

Sin Heng, a third place winner in the 2009 Enterprise 50 Awards, has grown significantly over the past 40 years to become one of the leading heavy lifting service providers in Singapore with a strong focus on the mid-to-high lifting capacity segment. The Group's fleet of cranes is generally deployed for larger projects to carry out heavy lifting work.

The Group has participated in major infrastructure and geotechnic projects in Singapore including the Newton Circle flyover - one of Singapore's first dual carriage flyovers, Ayer Rajah Expressway, Central Expressway in the 1980s; Pan-Island Expressway and reclamation of Jurong Island in the 1990s; and Sentosa Light Rail System, Singapore Flyer and Changi Airport Terminal 3 from year 2000 onwards.

Through its participation in major infrastructure and geotechnic projects in Singapore, Sin Heng has established a proven track record as a heavy lifting specialist. The Group is currently involved in prominent projects such as Marina Bay Integrated Resort, Resorts World at Sentosa, Marina Bay Financial Centre and the Marina Coastal Expressway.

Focus on higher lifting capacity cranes that are complemented by an aerial lift fleet

Sin Heng is strategically focused on higher lifting capacity cranes that can undertake larger projects. As at 30 June 2009, the Group owns a fleet of 67 cranes with a combined lifting capacity of 7,662 tons as compared with 58 units with a combined lifting capacity of 4,703 tons as at 30 June 2007. This translates to an average lifting capacity of 81 tons/crane as at 30 June 2007 to 114 tons/crane as at 30 June 2009, representing an increase of approximately 40.7%. As at 15 December 2009, the Group owns a fleet of 88 cranes with a combined lifting capacity of more than 9,500 tons.

The Group made its foray into the aerial lift business in 1996 and has since grown the business to an aerial lift fleet size of 213 units as at 15 December 2009, with access heights of up to 45.7 metres. The comprehensive fleet of cranes and aerial lift enables the Group to offer a more complete and integrated range of lifting solutions and hence, cater to the requirements of a wider customer base.

“We want to have a comprehensive fleet of cranes targeted at the mid-to-high lifting capacity segment and aerial lifts which are in strong demand and can be deployed for larger projects. This effectively enables Sin Heng to maximise the returns on our assets. Coupled with our strong track record, we believe the Group is well-positioned to compete for future infrastructure and geotechnic projects in Singapore and the region,” explained Mr Don Tan, Managing Director, Sin Heng.

Competitive Strengths

Sin Heng is an established heavy lifting specialist for infrastructure and geotechnic projects. The Company has an established track record in the maintenance, reconditioning and refurbishment of cranes and aerial lifts. This provides its customers with the confidence that the equipment supplied by the Group will be in good working condition. The Company also has a strong management team with in-depth knowledge and expertise. The three Executive Directors have collectively more than 50 years of experience in the rental and trading of cranes and aerial lifts. Through its long operating history, Sin Heng has also built up an extensive network of suppliers to source for good working condition equipment at competitive prices and a wide customer base across various industries worldwide spanning USA, Europe, the Middle East, Asia, Australia and Africa.

“Our two core business segments – equipment rental and trading – complement each other. Our trading business provides Sin Heng with an avenue to renew our equipment rental fleet while our existing equipment rental fleet can be traded and sold to customers,” said Mr Tan, who rose up the ranks from a crane operator when he first joined the Group in 1989. Mr Tan also heads the Group’s crane rental business which currently serves many international and well-established corporations such as Sato Kogyo (S) Pte Ltd, Keppel Group, Sambo Group and Sampyung Singapore Pte Ltd.

Prospects

With the projected recovery of the global and regional economies, construction, civil engineering, offshore and marine and oil and gas related activities are expected to pick up and result in increasing demand for cranes and aerial lifts. According to the Building and Construction Authority (the “BCA”), the average annual construction demand from the public and private sector construction sectors for 2010 and 2011 is projected to be between S\$20 billion and S\$27 billion. Compared to the average annual construction demand of S\$13 billion from 1998 to 2006, the projection of at least S\$20 billion annually for 2010 and 2011 is more than 50%. The public sector construction is expected to be fuelled by projects such as the various MRT and major road projects including the S\$4 billion Marina Coastal Expressway, as well as the new HDB flats. The BCA also expects higher demand for private institutional and other buildings to provide support to the overall private sector construction demand.

“These macro-economic factors augur well for the Group and we stand ready to capitalise on our leadership position to secure more projects and bring the Group to its next level of growth,” added Mr Tan.

Financial Highlights

Between FY2007 and FY2009, Sin Heng’s revenue rose at a compounded annual growth rate (“CAGR”) of 28.7% from S\$82.7 million to S\$137.0 million in FY2009. Net profit grew from S\$9.2 million in FY2007 to S\$22.0 million in FY2009, representing a CAGR of 54.8% and net profit margin had increased steadily from 11.1% in FY2007 to 16.0% in FY2009.

Use of Proceeds

Sin Heng intends to use the net proceeds of approximately S\$21.6 million for the following purposes:

- approximately S\$10.0 million to renew and expand equipment rental fleet in Singapore;
- approximately S\$5.0 million to expand equipment rental fleets in Malaysia and Vietnam;
- approximately S\$2.0 million to fund potential acquisitions, joint ventures and/or strategic alliances; and
- approximately S\$4.6 million for general working capital.

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This press release is issued in reliance on Section 251(8) of the Securities and Futures Act, Chapter 289 of Singapore and does not constitute an offer, invitation or solicitation to purchase or subscribe for the Invitation Shares in Singapore or any other jurisdiction nor should it or any part of it form the basis of, or be relied upon in any connection with, any contract or commitment whatsoever. The information in this press release is qualified in its entirety by, and is subject to, the more detailed information set out in the final prospectus registered by the Monetary Authority of Singapore (the “Final Prospectus”).

A printed copy of the Final Prospectus and the application forms in respect of the invitation to subscribe for and/or purchase the Invitation Shares may be obtained upon request, subject to availability, during office hours, from DBS Bank Ltd. at 6 Shenton Way, DBS Building Tower One, Singapore 068809, and Stirling Coleman Capital Limited, 4 Shenton Way #07-03, SGX Centre 2, Singapore 068807 and where applicable, from members of the Association of Banks in Singapore, members of the SGX-ST and merchant banks in Singapore.

An electronic copy of the Final Prospectus is also available on the Singapore Exchange Securities Trading Limited’s website at <http://www.sgx.com> and the Monetary Authority of Singapore’s OPERA website at <http://masnet.mas.gov.sg/opera/sdrprosp.nsf>.

Anyone wishing to acquire Invitation Shares should read the Final Prospectus before deciding whether to subscribe for and/or purchase the Invitation Shares and will need to make an application in the manner set out in Final Prospectus. Any decision to purchase the Invitation Shares should be made solely on the basis of information contained in the Final Prospectus and no reliance should be placed on any information other than that contained in the Final Prospectus.

Terms used but not defined in this press release shall have the meanings given to them in the Final Prospectus.