



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

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DISPOSAL OF AN ASSOCIATED COMPANY

The Board of directors (the "**Board**") of Sin Heng Heavy Machinery Limited (the "**Company**") refers to the announcements made on 16 June 2014 and 30 July 2014 (the "**Announcements**") in relation to the sale by its associated company, Sinolion Group Holdings Pte. Ltd. ("**Sinolion**") of Sinolion's entire investment representing 25% of the total issued and fully paid-up share capital in Yantai Guoyu Financial Leasing Co., Ltd.

Further to the Announcements and pursuant to Rule 704(18)(c) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Board wishes to announce that the Company has on 21 May 2015 disposed its entire shareholding in Sinolion, comprising 30% of the fully paid-up ordinary shares in the capital of Sinolion at a consideration of US\$261,000 (the "**Consideration**") ("**Sale of Sinolion**"). Sinolion has thereby ceased to be an associated company of the Company.

The Consideration was arrived at on a willing buyer and willing seller basis, after taking into account the net tangible asset value of Sinolion amounting to approximately S\$1.2 million. The aforesaid net tangible asset value was updated as at 28 February 2015, following the completion of a capital reduction exercise undertaken by Sinolion on or about 30 October 2014 pursuant to Section 78A of the Companies Act, Chapter 50 of Singapore ("**Companies Act**") read together with Section 78B of the Companies Act which reduced its issued and fully paid-up share capital from S\$6,893,721.95 to S\$1.95.

The above transaction is not expected to have any material impact on the consolidated net tangible assets and earnings per share of the Group for the current financial year.

None of the Directors or controlling shareholders of the Company has any interests, direct or indirect, in the above transaction other than through their interests in the shares of the Company.

By Order of the Board

Tan Cheng Soon Don
Managing Director
21 May 2015