SIN HENG HEAVY MACHINERY LIMITED AND ITS SUBSIDIARIES

Condensed Interim Financial Statements
For the six months ended 30 June 2026

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SIN HENG HEAVY MACHINERY LIMITED AND ITS SUBSIDIARIES

A. Condensed Interim Statement of Profit or Loss and Other Comprehensive Income

	Note	Group		
		6 months ended 30 Jun 2026	6 months ended 30 Jun 2025	Increase/ (Decrease)
		S$'000	S$'000	
Revenue	3	**17,703**	23,603	(25.0%)
Cost of sales		**(12,027)**	(16,373)	(26.5%)
Gross profit		**5,676**	7,230	(21.5%)
Other operating income		**483**	718	(32.7%)
Selling expenses		**(165)**	(228)	(27.6%)
Administrative expenses		**(4,067)**	(4,654)	(12.6%)
Other operating expenses		**(120)**	(71)	69.0%
Finance costs		**(128)**	(102)	25.5%
Profit before income tax	5	**1,679**	2,893	(42.0%)
Income tax expense	4	**(277)**	(378)	(26.7%)
Profit for the period		**1,402**	2,515	(44.3%)
Profit attributable to:				
Owners of the Company		**1,402**	2,515	(44.3%)
Non-controlling interests		**-**	-	**-**
		1,402	2,515	(44.3%)
Earnings per share (cents):	13			
Basic		**1.29**	2.31	(44.2%)
Diluted		**1.29**	2.31	(44.2%)
Profit for the period		**1,402**	2,515	(44.3%)
Other comprehensive income/(loss):				
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign operations		**87**	(242)	NM
Total comprehensive income for the period		**1,489**	2,273	(34.5%)
Total comprehensive income attributable to:				
Owners of the Company		**1,489**	2,273	(34.5%)
Non-controlling interests		**-**	-	-
		1,489	2,273	(34.5%)

NM: Not Meaningful

B. Condensed Interim Statements of Financial Position

	Note	Group		Company	
		As at 30 Jun 2026	As at 31 Dec 2025	**As at 30 Jun 2026**	As at 31 Dec 2025
		S$'000	S$'000	**S$'000**	S$'000
ASSETS					
Current assets					
Cash and bank balances		**34,548**	40,465	**5,535**	8,612
Trade receivables		**9,557**	11,428	**10,186**	12,114
Other receivables and prepayments		**1,492**	821	**5,647**	4,162
Lease receivables		**-**	-	**57**	56
Inventories		**1,967**	849	**1,577**	265
Derivative financial instruments		**-**	-	**-**	-
Income tax recoverable		**78**	84	**2**	-
Total current assets		**47,642**	53,647	**23,004**	25,209
Non-current assets					
Property, plant and equipment	6	**55,905**	58,070	**44,528**	46,655
Right-of-use assets	7	**3,360**	3,447	**1,937**	1,987
Investment properties	8	**5,510**	3,050	**-**	-
Investment in subsidiaries		**-**	-	**8,951**	8,951
Financial assets at fair value through profit or loss (FVTPL)		**408**	424	**408**	424
Financial assets at fair value through other comprehensive income (FVTOCI)		**1,190**	1,190	**1,190**	1,190
Lease receivables		**-**	-	**1,378**	1,407
Other assets		**1,296**	1,296	**10**	10
Total non-current assets		**67,669**	67,477	**58,402**	60,624
Total Assets		**115,311**	121,124	**81,406**	85,833
LIABILITIES AND EQUITY					
Current liabilities					
Derivative financial instruments		**-**	103	**-**	103
Trade payables		**749**	1,059	**9,105**	9,416
Other payables		**3,705**	4,051	**3,275**	3,537
Lease liabilities	10	**1,301**	1,636	**1,301**	1,636
Income tax payable		**604**	640	**-**	-
Total current liabilities		**6,359**	7,489	**13,681**	14,692
Non-current liabilities					
Lease liabilities	10	**4,213**	4,865	**4,213**	4,865
Deferred tax liabilities		**6,782**	6,864	**5,026**	5,110
Total non-current liabilities		**10,995**	11,729	**9,239**	9,975
Capital and reserves					
Share capital	11	**41,846**	41,846	**41,846**	41,846
Retained earnings		**67,785**	71,821	**18,760**	21,440
Treasury shares	12	**(2,810)**	(2,810)	**(2,810)**	(2,810)
Translation reserves		**(8,631)**	(8,718)	**-**	-
Capital reserve		**(923)**	(923)	**-**	-
Fair value reserve		**690**	690	**690**	690
Total equity attributable to owners of the Company		**97,957**	101,906	**58,486**	61,166
Total Equity and Liabilities		**115,311**	121,124	**81,406**	85,833

C. Condensed Interim Statements of Changes in Equity

Group	Share capital S$'000	Treasury shares S$'000	Translation reserves S$'000	Capital reserve S$'000	Fair value reserve S$'000	Retained earnings S$'000	Total equity S$'000
2026							
Balance at 1 January 2026	41,846	(2,810)	(8,718)	(923)	690	71,821	101,906
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	1,402	1,402
Other comprehensive income for the period	-	-	87	-	-	-	87
Transaction with owners, recognised directly in equity							
Dividends paid	-	-	-	-	-	(5,438)	(5,438)
Balance at 30 June 2026	**41,846**	**(2,810)**	**(8,631)**	**(923)**	**690**	**67,785**	**97,957**
2025							
Balance at 1 January 2025	41,846	(2,810)	(8,853)	(923)	690	77,590	107,540
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	2,515	2,515
Other comprehensive loss for the period	-	-	(242)	-	-	-	(242)
Transaction with owners, recognised directly in equity							
Dividends paid	-	-	-	-	-	(5,438)	(5,438)
Balance at 30 June 2025	**41,846**	**(2,810)**	**(9,095)**	**(923)**	**690**	**74,667**	**104,375**

Company	Share capital S$'000	Treasury shares S$'000	Fair value reserve S$'000	Retained earnings S$'000	Total equity S$'000
2026					
Balance at 1 January 2026	41,846	(2,810)	690	21,440	61,166
Profit for the period, representing total comprehensive income for the period	-	-	-	2,758	2,758
Transaction with owners, recognised directly in equity					
Dividends paid	-	-	-	(5,438)	(5,438)
Balance at 30 June 2026	**41,846**	**(2,810)**	**690**	**18,760**	**58,486**
2025					
Balance at 1 January 2025	41,846	(2,810)	690	30,448	70,174
Profit for the period, representing total comprehensive income for the period	-	-	-	1,000	1,000
Transaction with owners, recognised directly in equity					
Dividends paid	-	-	-	(5,438)	(5,438)
Balance at 30 June 2025	**41,846**	**(2,810)**	**690**	**26,010**	**65,736**

D. Condensed Interim Statement of Cash Flows

	Group	
	6 months ended 30 Jun 2026	6 months ended 30 Jun 2025
	S$'000	S$'000
Cash flows from operating activities		
Profit before income tax	**1,679**	2,893
Adjustments for:		
Depreciation of property, plant and equipment	**2,991**	2,818
Depreciation of right-of-use assets	**87**	91
Depreciation of investment properties	**51**	-
Impairment loss on financial assets	**2**	10
Interest expense	**128**	102
Interest income	**(326)**	(477)
Net unrealised foreign exchange gain	**(21)**	(212)
Gain on disposal of property, plant and equipment	**-**	(32)
Fair value changes arising on financial assets designated as FVTPL	**16**	(6)
Fair value changes on derivative financial instruments	**(103)**	-
Operating cash flows before movements in working capital	**4,504**	5,187
Trade receivables	**1,869**	1,734
Other receivables and prepayments	**(669)**	(2,286)
Inventories	**1,098**	2,390
Trade payables	**(310)**	219
Other payables	**(388)**	(1,756)
Cash generated from operations	**6,104**	5,488
Income tax paid	**(390)**	(511)
Purchase of property, plant and equipment	**(4,036)**	(8,292)
Net cash from/(used in) operating activities	**1,678**	(3,315)
Cash flows from investing activities		
Interest received	**326**	477
Purchase of property, plant and equipment	**(41)**	(50)
Purchase of investment property	**(1,489)**	(3,080)
Proceeds from disposal of property, plant and equipment	**-**	32
Bank fixed deposits (Note A)	**2,101**	(7,461)
Net cash from/(used in) investing activities	**897**	(10,082)
Cash flows from financing activities		
Interest paid	**(128)**	(102)
Proceeds from hire purchase facilities	**1,200**	3,500
Repayment of lease liabilities	**(2,185)**	(1,622)
Dividends paid	**(5,438)**	(5,438)
Net cash used in financing activities	**(6,551)**	(3,662)
Net decrease in cash and cash equivalents	**(3,976)**	(17,059)
Cash and cash equivalents at beginning of period	**11,894**	28,720
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies	**160**	(39)
Cash and cash equivalents at end of period	**8,078**	11,622

D. Condensed Interim Statement of Cash Flows (cont'd)

Note A: For the purpose of the condensed interim statement of cash flows, cash and cash equivalents comprised**:**

	Group	
	6 months ended 30 Jun 2026	6 months ended 30 Jun 2025
	S$'000	S$'000
Cash at banks and on hand	**8,078**	11,621
Bank fixed deposits	**26,470**	26,597
Cash and bank balances	**34,548**	38,218
Less: Bank fixed deposits with maturity of more than 3 months to 1 year	**(26,470)**	(26,596)
Cash and cash equivalents presented in the statement of cash flows	**8,078**	11,622

E. Notes to the Condensed Interim Financial Statements

1. Corporate Information

Sin Heng Heavy Machinery Limited (the "Company") is incorporated and domiciled in Singapore and whose shares are publicly traded on the Mainboard of the Singapore Exchange. These condensed interim financial statements as at and for the six months ended 30 June 2026 comprise the Company and its subsidiaries (collectively, the "**Group**").

The primary activities of the Company are those of hiring and dealing in cranes and heavy machinery and provision of facilities and custody services.

2. Basis of Preparation

2.1. Statement of compliance

The condensed interim financial statements for the six months ended 30 June 2026 have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and the performance of the Group since the last financial statements for the year ended 31 December 2025.

The Group has applied accounting policies and methods of computation in the financial statements for the current reporting period consistent with those of the audited financial statements for the year ended 31 December 2025.

In the current financial period, the Group has adopted all the new and revised SFRS(I) that are relevant to its operations and effective for annual periods beginning on 1 January 2026. The Group did not have to change its accounting policy or make retrospective adjustments as a result of adopting these standards.

The condensed interim financial statements are expressed in Singapore dollars which is the Company's functional currency.

2.2. Basis of measurement

The condensed interim financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

The condensed interim financial statements have been prepared on a going concern basis, since the directors have verified that there are no financial, operating or other types of indicators that might cast significant doubt upon the Group's ability to meet its obligations in the foreseeable future and particularly within the 12 months from the end of the reporting period.

2.3. Uses of estimates and judgements

The preparation of the condensed interim financial statements in conformity with SFRS(I) requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2025.

E. Notes to the Condensed Interim Financial Statements (cont'd)

2. Basis of Preparation (cont'd)

2.3. Uses of estimates and judgements (cont'd)

(a) Critical judgements in applying the entity's accounting policies

Management is of the opinion that there are no critical judgements involved that have a significant effect on the amounts recognised in the financial statements, except for those involving estimation uncertainties.

(b) Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of asset and liabilities within the next financial year, are discussed below:

Impairment of cranes and aerial lifts classified as property, plant and equipment

The management assesses whether they are any indicators of impairment of its cranes and aerial lifts classified as property, plant and equipment ("PPE"). For those PPE where they are such indicators, the management estimates the recoverable amounts of these assets to determine the extent of the impairment loss, if any. The recoverable amounts of these assets are determined based on value-in-use calculations which require the use of key estimates such as rental rates and utilisation rates.

Allowance for inventories

In determining the net realisable value of the cranes and aerial lifts classified as inventories, an estimation of the recoverable amount of inventories on hand is performed by management based on the most reliable evidence available at the time the estimates are made. Management judgement regarding future market and economic conditions is involved in determining the net realisable value of inventories.

Allowance for trade receivables

Management judgement is required in assessing the ultimate realisation of the trade receivables. This involves an assessment of the Group's historical loss rates and estimates of expected future loss rates, management's assessment of forward looking macro-economic factors and the eventual expected credit losses in accordance with SFRS(I) 9.

3. Segment and Revenue Information

For the purpose of the resource allocation and assessment of segment performance, the Group's chief operating decision maker has focused on the business operating units which in turn, are segregated based on their goods and services. This forms the basis of identifying the operating segments of the Group under SFRS(I) 8 *Operating segments* as follows:

Operating segments are segregated into a single reportable operating segment if they have similar economic characteristics, such as long-term average gross margins, and are similar in respect of nature of services and processes, type of customers, methods of distribution, and/or their reported revenue, absolute amount of profit or loss and assets are not material to the consolidated totals of all operating segments.

The Group's reportable operating segments are as follows:
- Equipment Rental – Rental of equipment
- Trading – Sale of equipment
- Property investment – Investing in properties to earn rental and for capital appreciation*

E. Notes to the Condensed Interim Financial Statements (cont'd)

3. Segment and Revenue Information (cont'd)

* This was disclosed as "Others – These refer to investment activities" in previous announcements.

Segment revenue represents revenue generated from external customers. Segment profits represents the profit earned by each segment after allocating selling expenses. This is the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

3.1. Reportable segments

	Group			
	Equipment Rental	Trading	Property Investment	Total
	S$'000	S$'000	S$'000	S$'000
6 months ended 30 June 2026				
Segment revenue	14,382	3,187	134	17,703
Segment profit	5,169	437	70	5,676
Selling expenses	(135)	(30)	-	(165)
Other operating income				483
Administrative expenses				(4,067)
Other operating expenses				(120)
Finance costs	(104)	(24)	-	(128)
Profit before tax				1,679
Income tax expenses				(277)
Profit for the period				1,402
Other information				
Capital expenditure	(4,077)	-	(1,489)	(5,566)
Depreciation expense	(2,952)	(126)	(51)	(3,129)
Impairment loss on financial assets	(2)	-	-	(2)
6 months ended 30 June 2025				
Segment revenue	14,078	9,525	-	23,603
Segment profit	4,833	2,397	-	7,230
Selling expenses	(136)	(92)	-	(228)
Other operating income				718
Administrative expenses				(4,654)
Other operating expenses				(71)
Finance costs	(101)	(1)	-	(102)
Profit before tax				2,893
Income tax expenses				(378)
Profit for the period				2,515
Other information				
Capital expenditure	(8,342)	-	(3,080)	(11,422)
Depreciation expense	(2,723)	(186)	-	(2,909)
Impairment loss on financial assets	(10)	-	-	(10)
Gain on disposal of property, plant and equipment	32	-	-	32

E. Notes to the Condensed Interim Financial Statements (cont'd)

3. Segment and Revenue Information (cont'd)

3.2. Segment assets and liabilities

	Group			
	Equipment Rental	Trading	Property Investment	Total
	S$'000	S$'000	S$'000	S$'000
As at 30 June 2026				
Segment assets	60,424	10,365	5,651	76,440
Unallocated corporate assets				38,871
Total assets				115,311
Segment liabilities	4,567	1,696	19	6,282
Unallocated corporate liabilities				11,072
Total liabilities				17,354
As at 31 December 2025				
Segment assets	61,798	11,996	3,143	76,937
Unallocated corporate assets				44,187
Total assets				121,124
Segment liabilities	5,830	1,730	17	7,577
Unallocated corporate liabilities				11,641
Total liabilities				19,218

3.3. Disaggregation of revenue

The following table provide details on the Group's revenue by location of customers by geographical area:

	Group			
	Equipment Rental	Trading	Property Investment	Total
	S$'000	S$'000	S$'000	S$'000
Geographical information				
6 months ended 30 June 2026				
Singapore	14,382	1,621	56	16,059
Indonesia	-	1,279	-	1,279
Malaysia	-	17	78	95
India	-	230	-	230
Vietnam	-	22	-	22
Philippines	-	18	-	18
Total revenue	14,382	3,187	134	17,703
6 months ended 30 June 2025				
Singapore	14,078	6,315	-	20,393
Indonesia	-	1,530	-	1,530
Malaysia	-	392	-	392
Taiwan	-	700	-	700
Brunei	-	425	-	425
India	-	125	-	125
Others	-	38	-	38
Total revenue	14,078	9,525	-	23,603

E. Notes to the Condensed Interim Financial Statements (cont'd)

3. Segment and Revenue Information (cont'd)

3.4. Seasonal operation

The Group's businesses are not affected significantly by seasonal or cyclical factors during the current financial period.

3.5. Major customers information

There was one customer contributed more than 10 percent to the revenue of the Group (2025: 2).

4. Income Tax Expense

The Group calculates the period's income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim statement of profit or loss are:

	Group	
	6 months ended 30 Jun 2026	6 months ended 30 Jun 2025
	S$'000	S$'000
Income tax expense		
- current period	**(231)**	(532)
- (under)/over provision in prior periods	**(46)**	154
	(277)	(378)

5. Profit Before Income Tax

	Group	
	6 months ended 30 Jun 2026	6 months ended 30 Jun 2025
	S$'000	S$'000
Profit for the year has been arrived at after charging/(crediting):		
Depreciation of property, plant and equipment	**2,991**	2,818
Depreciation of right-of-use assets	**87**	91
Depreciation of investment properties	**51**	-
Impairment loss on financial assets	**2**	10
Currency exchange loss/(gain) - net	**37**	(160)
Gain on disposal of property, plant and equipment	**-**	(32)
Interest expense	**128**	102
Interest income	**(326)**	(477)
Fair value changes arising on financial assets designated as FVTPL	**16**	(6)
Fair value changes on derivative financial instruments	**(103)**	-

6. Property, Plant and Equipment

During the six months ended 30 June 2026, the Group acquired property, plant and equipment (including inventories that were purchased and transferred to property, plant and equipment in the current period) amounting to S$4.0 million (30 June 2025: S$8.3 million) and disposed of assets amounting to Nil (30 June 2025: Nil).

E. Notes to the Condensed Interim Financial Statements (cont'd)

7. Right-of-Use Assets

The Group leases leasehold property and recognises as right-of-use ("ROU") assets. The Group's obligations are secured by the lessors' title to the leased assets for such leases.

8. Investment Properties

The Group's investment properties are carried at cost less accumulated depreciation and impairment losses. The Group has considered that there are no impairment indicators on the investment properties as at 30 June 2026.

9. Financial Instruments

Set out below is an overview of the financial assets and financial liabilities of the Group and the Company as at 30 June 2026 and 31 December 2025.

	Group		Company	
	As at 30 Jun 2026	As at 31 Dec 2025	**As at 30 Jun 2026**	As at 31 Dec 2025
	S$'000	S$'000	**S$'000**	S$'000
Financial assets				
Financial assets at amortised cost	**44,361**	52,365	**20,223**	26,146
Financial assets measured at FVTPL	**408**	424	**408**	424
Financial assets measured at FVTOCI	**1,190**	1,190	**1,190**	1,190
	45,959	53,979	**21,821**	27,760
Financial liabilities				
Financial liabilities at amortised cost	**4,118**	4,406	**11,981**	12,299
Lease liabilities	**5,514**	6,501	**5,514**	6,501
Derivative financial instruments	**-**	103	**-**	103
	9,632	11,010	**17,495**	18,903

Financial assets measured at FVTPL is classified under Level 1 fair value measurements where the fair value is determined by reference to the quoted price (unadjusted) in active market for identical assets. The investments are measured in accordance with SFRS(I) 9, as they represent an identified portfolio of investments which the Group and Company manage together with an intention of profit taking when the opportunity arises.

Financial assets measured at FVTOCI is classified under Level 3 fair value hierarchy. It is measured based on net asset value of the unquoted funds as provided by the fund manager where higher the net asset value, the higher fair value.

E. Notes to the Condensed Interim Financial Statements (cont'd)

10. Aggregate Amount of Group's Borrowings and Debt Securities

	Group		Company	
	As at 30 Jun 2026	As at 31 Dec 2025	**As at 30 Jun 2026**	As at 31 Dec 2025
	S$'000	S$'000	**S$'000**	S$'000
Amount repayable within one year or on demand				
Secured	**1,301**	1,636	**1,301**	1,636
Unsecured	**-**	-	**-**	-
Amount repayable after one year				
Secured	**4,213**	4,865	**4,213**	4,865
Unsecured	**-**	-	**-**	-

As at 30 June 2026, the Group's lease liabilities of S$5.5 million (31 December 2025 : S$6.5 million) were secured over the Group's right-of-use assets and certain plant and equipment with carrying values of S$3.4 million (31 December 2025 : S$3.1 million) and S$4.7 million (31 December 2025 : S$9.0 million), respectively.

11. Share Capital

	Number of shares	
	As at 30 Jun 2026	As at 31 Dec 2025
Total number of issued ordinary shares	**114,888,980**	114,888,980
Less: Treasury shares	**(6,138,480)**	(6,138,480)
Total number of issued ordinary shares (excluding treasury shares)	**108,750,500**	108,750,500

As at 30 June 2026, there are 6,138,480 (31 December 2025 : 6,138,480) shares held as treasury shares against the total number of issued shares excluding treasury shares of 108,750,500 (31 December 2025 : 108,750,500).

There were no outstanding convertibles as at 30 June 2026 and 31 December 2025.

12. Treasury Shares

	Number of shares	
	As at 30 Jun 2026	As at 31 Dec 2025
At beginning of the period	**6,138,480**	6,138,480
Repurchase of shares	**-**	-
At end of the period	**6,138,480**	6,138,480

As at 30 June 2026, the number of treasury shares represented 5.3% (31 December 2025 : 5.3%) of the total number of issued shares.

No treasury shares were sold, transferred, disposed, cancelled and/or used as at the end of the current financial period reported on.

E. Notes to the Condensed Interim Financial Statements (cont'd)

13. Earnings Per Share

	Group	
	6 months ended 30 Jun 2026	6 months ended 30 Jun 2025
EPS based on weighted average number of ordinary shares on issue (cents)	**1.29**	2.31
On a fully diluted basis (cents)	**1.29**	2.31
Weighted average number of ordinary shares in issue ('000)	**108,751**	108,751

There were no potential dilutive ordinary shares in existence for the periods from 1 January 2026 to 30 June 2026 and 1 January 2025 to 30 June 2025.

14. Net Asset Value Per Share

	Group		Company	
	As at 30 Jun 2026	As at 31 Dec 2025	**As at 30 Jun 2026**	As at 31 Dec 2025
Net asset value per ordinary share (cents)	**90.07**	93.71	**53.78**	56.24
Ordinary shares at the end of the current financial period and immediately preceding financial year ('000)	**108,751**	108,751	**108,751**	108,751

15. Dividends

	Group and Company	
	6 months ended 30 Jun 2026	6 months ended 30 Jun 2025
	S$'000	S$'000
<u>Total annual dividend:</u>		
(a) Ordinary	**-**	5,438
(b) Preference	**-**	-
(c) Total	**-**	5,438

No interim dividend for the half year ended 30 June 2026 (30 June 2025 : 5.0 cents per ordinary share) was recommended in view of the Group's operational and financial cash needs.

16. Subsequent Events

There are no known subsequent event which have led to adjustments to this set of condensed interim financial statements.

Other Information Required by Listing Rule Appendix 7.2

SIN HENG HEAVY MACHINERY LIMITED AND ITS SUBSIDIARIES

OTHER INFORMATION

1. Review

The condensed interim statement of financial position of Sin Heng Heavy Machinery Limited and its subsidiaries as at 30 June 2026 and the related condensed interim profit or loss and other comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited nor reviewed.

2. Review of performance of the Group

INCOME STATEMENT

<u>Revenue</u>

	Group		
	6 months (Period to date)		
	1H FY2026 S$'000	1H FY2025 S$'000	% Change
Equipment Rental business	**14,382**	14,078	2.2%
Trading business	**3,187**	9,525	(66.5%)
Property Investment business	**134**	-	100.0%
Total	**17,703**	23,603	(25.0%)

The Group registered a total revenue of S$17.7 million in 1H FY2026, which was 25.0% lower than 1H FY2025. The decrease was mainly due to lower revenue generated in Trading business and was partially offset by an increased in Equipment Rental business.

Revenue from Equipment Rental business increased by 2.2% to S$14.4 million in 1H FY2026 as compared to 1H FY2025. The increase was mainly due to higher revenue contribution from Singapore segment.

Revenue from Trading business decreased by 66.5% to S$3.2 million in 1H FY2026 as compared to 1H FY2025. The decrease was mainly due to decrease in the number of equipment sold during the period.

Revenue from Property Investment business increased by 100.0% to S$0.1 million in 1H FY2026 as compared to 1H FY2025. The increase was mainly due to the commencement of rental income from the Group's investment properties in the current financial period.

<u>Gross Profit</u>

	Group		
	6 months (Period to date)		
	1H FY2026 S$'000	1H FY2025 S$'000	% Change
Equipment Rental business	**5,169**	4,833	7.0%
Trading business	**437**	2,397	(81.8%)
Property Investment business	**70**	-	100.0%
Total	**5,676**	7,230	(21.5%)

The Group registered a total gross profit of S$5.7 million in 1H FY2026 which was 21.5% lower than 1H FY2025. The decrease was mainly due to lower revenue generated in Trading business, and was partially offset by an improved contribution from Equipment Rental business.

The Group registered a gross profit of S$5.2 million from Equipment Rental business in 1H FY2026, which was 7.0% higher than 1H FY2025. The increase was mainly due to increase in revenue, and lower associated costs.

2. Review of performance of the Group (cont'd)

INCOME STATEMENT (cont'd)

The Group registered a gross profit of S$0.4 million from Trading business in 1H FY2026, which was 81.8% lower than 1H FY2025. The decrease was mainly due to decrease in trading revenue and different product mix sold.

The Group registered a gross profit of S$ 0.1 million from Property Investment business in 1H FY2026, which was 100.0% higher than 1H FY2025. The increase was in line with the recognition of rental income from the investment properties.

Other Operating Income

Other operating income decreased by S$0.2 million in 1H FY2026 as compared to 1H FY2025. The decrease was mainly due to lower interest income and absence of foreign exchange gain and gain on disposal of property, plant and equipment.

Selling Expenses

Selling expenses decreased by S$0.1 million in 1H FY2026 as compared to 1H FY2025. The decrease was mainly due to lower entertainment expense and commission paid.

Administrative Expenses

Administrative expenses decreased by S$0.6 million in 1H FY2026 as compared to 1H FY2025. The decrease was mainly due to lower staff related costs.

Other Operating Expenses

Other operating expenses increased by S$0.1 million in 1H FY2026 as compared to 1H FY2025. The increase was mainly due to the foreign exchange loss incurred during the period.

Finance Costs

Finance costs has largely remained flat in 1H FY2026 as compared to 1H FY2025.

Income Tax Expense

The Group recorded an income tax expense in 1H FY2026, mainly due to provision of current tax expenses for the period ended 30 June 2026, and adjustment for underprovision in prior years.

2. Review of performance of the Group (cont'd)

STATEMENT OF FINANCIAL POSITION

Current Assets

As at 30 June 2026, current assets amounted to S$47.6 million or 41% of total assets. Current assets mainly comprise of cash and bank balances, trade and other receivables and inventories. Total current assets decreased by S$6.0 million as compared to 31 December 2025 mainly due to decrease in cash and bank balances and trade receivables, which was partially offset by increase in other receivables and inventories.

Non-Current Assets

As at 30 June 2026, non-current assets amounted to S$67.7 million or 59% of total assets. Non-current assets mainly comprise of property, plant and equipment, right-of-use assets and investment properties. Total non-current assets remain constant as compared to 31 December 2025 mainly due to purchase of investment properties was offset by the depreciation of property, plant and equipment during the period.

Current Liabilities

As at 30 June 2026, current liabilities amounted to S$6.4 million or 37% of total liabilities. Current liabilities mainly comprise of trade and other payables, current portion of lease liabilities and income tax payable. Total current liabilities decreased by S$1.1 million as compared to 31 December 2025, mainly due to decrease in trade payables, other payables, and current portion of lease liabilities.

Non-Current Liabilities

As at 30 June 2026, non-current liabilities amounted to S$11.0 million or 63% of total liabilities. Non-current liabilities comprise of the non-current portion of lease liabilities and deferred tax liabilities. Total non-current liabilities decreased by S$0.7 million as compared to 31 December 2025, mainly due to decrease in non-current portion of lease liabilities.

Working Capital

As at 30 June 2026, the Group registered a positive working capital of S$41.3 million as compared to that of S$46.2 million as at 31 December 2025.

Equity

As at 30 June 2026, the Group's total equity stood at S$98.0 million. Total equity decreased by S$3.9 million as compared to 31 December 2025, mainly due to payment of dividend, and was partially offset against profit for the period.

2. Review of performance of the Group (cont'd)

STATEMENT OF CASH FLOWS

The Group's net cash from operating activities in 1H FY2026 was S$1.7 million. This comprised positive operating cash flows before changes in working capital of S$4.5 million, and increase in net working capital flow of S$1.6 million and offset by the purchase of property, plant and equipment for rental use of S$4.0 million and income tax payment of S$0.4 million.

Net cash from investing activities was S$0.9 million in 1H FY2026. This was due to interest received of S$0.3 million and decrease in fixed deposits with maturity of more than 3 months of S$2.1 million, offset by the purchase of investment property of S$1.5 million.

Net cash used in financing activities was S$6.5 million in 1H FY2026. This was mainly due to the dividend paid of S$5.4 million, payment of lease liabilities of S$2.2 million, and interest expense of S$0.1 million, offset by the proceeds from hire purchase facilities of S$1.2 million.

3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

There was no forecast, or any prospect statement previously disclosed to shareholders.

4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operated and any known factors or events that may affect the Group in the next operating period and the next 12 months

The Group remains cautiously optimistic about the outlook for Singapore's construction sector, supported by a healthy pipeline of public and private sector construction and infrastructure projects. These projects are expected to drive demand for the Group's services.

However, the operating environment remains challenging and uncertain. Ongoing geopolitical tensions, including the risk of disruptions to shipping routes such as the Strait of Hormuz, persistent inflationary and cost pressures, supply chain disruptions, foreign exchange volatility, interest rate uncertainty, and the lingering effects of global tariff-related developments continue to weigh on business confidence and may impact market conditions.

Against this backdrop, the Group will continue to exercise prudent cash and capital management while maintaining operational discipline. At the same time, the Group will actively pursue new investment opportunities in properties related segment and are aligned with its long-term strategic objectives, with the aim of delivering sustainable value to shareholders.

5. Dividend information

(a) Current Financial Period Reported on

No interim dividend for the half year ended 30 June 2026 were recommend.

(b) Corresponding Period of the Immediate Preceding Financial Year

Name of Dividend: Interim (Special)
Dividend type: Cash
Dividend amount per share (cents): 5.0 cents
Tax rate: Tax exempt (one-tier)
Date paid: 29 August 2025

OTHER INFORMATION

5. Dividend information

(a) Date Payable

Not applicable.

(b) Book Closure Date

Not applicable.

6. Disclosures on Incorporation, Acquisition and Realisation of Shares pursuant to Rule 706A of the Listing Manual of the SGX-ST

Pursuant to Rule 706A of the Listing Manual of the SGX-ST, the Group wishes to announce its changes in interest in its subsidiaries for the financial period from 1 January 2026 to 30 June 2026 as follows:

Incorporation of a Subsidiary
Name of Company: SH Growth 2 Sdn Bhd
Date of Incorporation: 18 June 2026
Country of Incorporation: Malaysia
Share Capital: Issued and paid-up share capital of RM1,000
Principal Activity: Other holding companies
Company's Shareholding Interest: 100%

The incorporation of SH Growth 2 Sdn Bhd has no material impact on the consolidated net tangible assets per share and consolidated earnings per share of the Group for the current financial year ending 31 December 2026.

7. Interested person transactions

The Group has not obtained a general mandate from shareholders of the Company for Interested Person Transactions.

There were no interested person transactions exceeding S$100,000 during the period under review.

8. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

The Company has received undertaking from all its directors and executive officers in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST.

9. Negative confirmation pursuant to Rule 705(5) of the Listing Manual

The Board of Directors of the Company hereby confirm that, to the best of their knowledge, nothing has come to their attention which may render the unaudited interim financial results for the six months ended 30 June 2026 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Tan Ah Lye
Executive Director and CEO
12 August 2026