Company Registration No. 201311482K

KIM HENG LIMITED

INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2026

*This announcement has been reviewed by the Company's sponsor, SAC Capital Private Limited ("**Sponsor**").*

*This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

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

	Note	6 Months Ended Unaudited 1 Jan 2026 To 30 June 2026 ("1H2026") S$'000	Unaudited 1 Jan 2025 To 30 June 2025 ("1H2025") S$'000	+/- %
Revenue	4	43,814	67,073	(35)
Cost of sales		(35,648)	(51,893)	(31)
Gross profit		8,166	15,180	(46)
Gross profit margin		19%	23%	
Other income		291	1,245	(77)
Distribution expenses		(485)	(1,286)	(62)
Administrative expenses		(8,262)	(9,872)	(16)
Other expenses		(2,622)	(2,059)	27
Finance costs		(1,882)	(1,899)	(1)
(Loss)/profit before tax	6	(4,794)	1,309	N.M.
Tax expense	7	(18)	(12)	50
(Loss)/profit for the period		(4,812)	1,297	N.M.
Other comprehensive income after tax				
Items that may be reclassified subsequently to profit or loss:				
Foreign currency translation differences		184	(1,021)	N.M.
Items that will not be reclassified subsequently to profit or loss:				
Foreign currency translation differences		222	(123)	N.M.
Total comprehensive(loss)/income for the period		(4,406)	153	N.M.
(Loss)/profit attributable to:				
Owners of the Company		(6,230)	460	N.M.
Non-controlling interests		1,418	837	69
		(4,812)	1,297	N.M.
EBITDA		3,401	8,803	(61)
(Loss)/profit per share (cents)				
Basic	25	(0.9)	0.1	
Diluted	25	(0.9)	0.1	

N.M. – not meaningful

B. Condensed Interim Statements of Financial Position

	Note	Group		Company	
		Unaudited As at 30 June 2026 S$'000	**Audited As at 31 Dec 2025 S$'000**	**Unaudited As at 30 June 2026 S$'000**	**Audited As at 31 Dec 2025 S$'000**
ASSETS					
Non-current assets					
Property, plant and equipment	9	93,993	94,675	–	–
Right-of-use assets	10	13,890	15,543	–	–
Club memberships		62	63	–	–
Investment in subsidiaries		–	–	80,127	80,127
		107,945	110,281	80,127	80,127
Current assets					
Inventories	13	19,818	24,102	–	–
Trade and other receivables	14	33,837	23,676	24,864	30,157
Contract assets		6,063	6,460	–	–
Cash and cash equivalents		4,833	5,365	1	12
		64,551	59,603	24,865	30,169
Total assets		172,496	169,884	104,992	110,296
EQUITY					
Share capital	12	74,409	74,409	74,409	74,409
Treasury shares		(363)	(363)	(363)	(363)
Reserves		(37,725)	(37,909)	–	–
Retained earnings		(790)	5,440	3,930	5,178
Equity attributable to owners of the Company		35,531	41,577	77,976	79,224
Non-controlling interests		8,816	7,176	–	–
Total Equity		44,347	48,753	77,976	79,224
LIABILITIES					
Non-current liabilities					
Loans and borrowings	11	19,148	18,575	10,623	6,205
Lease liabilities	11	5,573	6,717	–	–
Deferred tax liabilities		8,122	8,168	–	–
		32,843	33,460	10,623	6,205
Current liabilities					
Bank overdrafts	11	7,254	3,406	7	–
Contract liabilities		20,742	6,973	–	–
Loans and borrowings	11	31,806	41,705	15,624	24,503
Lease liabilities	11	3,740	4,557	–	–
Trade and other payables	15	31,431	30,375	762	364
Current tax payable		333	655	–	–
		95,306	87,671	16,393	24,867
Total liabilities		128,149	121,131	27,016	31,072
Total equity and liabilities		172,496	169,884	104,992	110,296

C. Condensed Interim Consolidated Statement of Cash Flows

	Note	Group 6 Months Ended Unaudited 30 June 2026 S$'000	 Unaudited 30 June 2025 S$'000
Cash flows from operating activities			
(Loss)/profit before income tax		(4,794)	1,309
Adjustments for:			
Depreciation of property, plant and equipment and right-of-use assets	6.1	6,313	5,595
Loss/(gain) on disposal of property, plant and equipment	6.1	23	(31)
Interest income	6.1	(18)	(14)
Interest expense	6.1	1,882	1,899
		3,406	8,758
Changes in working capital:			
Inventories		4,284	9,643
Trade and other receivables and contract assets		(11,216)	(8,952)
Trade and other payables and contract liabilities		16,497	11,526
Cash generated from operations		12,971	20,975
Income tax paid		(390)	(747)
Net cash generated from operating activities		12,581	20,228
Cash flows from investing activities			
Purchase of property, plant and equipment and right-of-use assets		(3,398)	(15,417)
Proceeds from disposal of property, plant and equipment		376	802
Interest received		18	14
Net cash used in investing activities		(3,004)	(14,601)
Cash flows from financing activities			
Interest paid		(1,882)	(1,899)
Repayment of lease liabilities		(2,557)	(2,797)
Repayment of term loans		(10,797)	(21,546)
(Repayment)/proceeds from trust receipts, net		(8,174)	3,582
Proceeds from term loan drawn down		9,500	19,665
Changes in deposits pledged		(13)	7
Net cash used in financing activities		(13,923)	(2,988)
Net (decrease)/increase in cash and cash equivalents		(4,346)	2,639
Cash and cash equivalents at beginning of the period		1,647	(236)
Effects of exchange rate fluctuations on cash and cash equivalents		(47)	(192)
Cash and cash equivalents at end of the period~		(2,746)	2,211
Significant non-cash transactions during the period:			
Acquisition of vessels		–	2,019
Acquisition of other plant and equipment		–	1,221
		–	3,240
~Cash and cash equivalents consist of the following:			
Cash at bank and in hand		4,508	4,053
Fixed deposits		325	310
Cash and cash equivalents		4,833	4,363
Deposits pledged		(325)	(310)
Bank overdrafts		(7,254)	(1,842)
Cash and cash equivalents in the statements of cash flows		(2,746)	2,211

D. Condensed Interim Statements of Changes in Equity

Group	Share capital S$'000	Treasury shares S$'000	Merger deficit S$'000	Translation reserve S$'000	Capital reserve S$'000	Retained earnings S$'000	Equity attributable to owners of the Company S$'000	Non-controlling interests S$'000	Total equity S$'000
2025									
As at 1 Jan 2025 (Audited)	74,409	(363)	(32,763)	(291)	(4,547)	14,263	50,708	7,585	58,293
Total comprehensive (loss)/income for the financial period									
Profit for the financial period	–	–	–	–	–	460	460	837	1,297
Other comprehensive loss									
Translation differences relating to financial statements of foreign operations	–	–	–	(1,021)	–	–	(1,021)	(123)	(1,144)
Total comprehensive (loss)/income for the financial period	–	–	–	(1,021)	–	460	(561)	714	153
As at 30 June 2025 (Unaudited)	74,409	(363)	(32,763)	(1,312)	(4,547)	14,723	50,147	8,299	58,446

D. Condensed Interim Statements of Changes in Equity (Cont'd)

Group	Share capital S$'000	Treasury shares S$'000	Merger deficit S$'000	Translation reserve S$'000	Capital reserve S$'000	Retained earnings S$'000	Equity attributable to owners of the Company S$'000	Non-controlling interests S$'000	Total equity S$'000
2026									
As at 1 Jan 2026 (Audited)	74,409	(363)	(32,763)	(599)	(4,547)	5,440	41,577	7,176	48,753
Total comprehensive income/(loss) for the financial period									
(Loss)/profit for the financial period	–	–	–	–	–	(6,230)	(6,230)	1,418	(4,812)
Other comprehensive income									
Translation differences relating to financial statements of foreign operations	–	–	–	184	–	–	184	222	406
Total comprehensive income/(loss) for the financial period	–	–	–	184	–	(6,230)	(6,046)	1,640	(4,406)
As at 30 June 2026 (Unaudited)	74,409	(363)	(32,763)	(415)	(4,547)	(790)	35,531	8,816	44,347

D. Condensed Interim Statements of Changes in Equity (Cont'd)

Company	Share capital S$'000	Treasury shares S$'000	Retained earnings S$'000	Total equity S$'000
<u>**2025**</u>				
As at 1 Jan 2025 (Audited)	74,409	(363)	4,344	78,390
Total comprehensive loss for the financial period	–	–	(203)	(203)
As at 30 June 2025 (Unaudited)	74,409	(363)	4,141	78,187
<u>**2026**</u>				
As at 1 Jan 2026 (Audited)	74,409	(363)	5,178	79,224
Total comprehensive loss for the financial period	–	–	(1,248)	(1,248)
As at 30 June 2026 (Unaudited)	74,409	(363)	3,930	77,976

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate information

Kim Heng Ltd. (the "**Company**") is incorporated as a limited liability company domiciled in Singapore and listed on the Catalist Board of Singapore Exchange Securities Trading Limited.

The registered office of the Company is located at 9 Pandan Crescent, Singapore 128465.

These condensed interim consolidated financial statements as at and for the six months ended 30 June 2026 comprise the Company and its subsidiaries (collectively, the "**Group**").

The principal activities of the Company are that of an investment holding company. The principal activities of the subsidiaries include chartering of vessels, marine support services, equipment rental, material sales and trading of vessels.

2. Basis of preparation

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 performance of the Group since the last annual financial statements for the year ended 31 December 2025.

The condensed interim financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The condensed interim financial statements are presented in Singapore Dollar which is the Company's functional currency. All financial information is presented in Singapore Dollar and has been rounded to the nearest thousand, unless otherwise stated.

2.1 New and amended standards adopted by the Group

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial period and year, the Group has adopted all the amendments to SFRS(I)s that are effective for annual financial periods beginning on or after 1 January 2026. The adoption of these amendments did not have any material effect on the financial performance or position of the Group and the Company.

2.2 Use of judgements and estimates

In preparing the interim condensed financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and 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 were applied to the consolidated financial statements as at and for the financial year ended 31 December 2025.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

2.2 Use of judgements and estimates (Cont'd)

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities as at 30 June 2026 are included in the following notes:

- 2.2(a) – Revenue from shipbuilding contracts
- 2.2(b) - Impairment of Group's non-financial assets
- 2.2(c) - Impairment of investment in a subsidiary
- 2.2(d) – Net realizable value of vessel inventories
- 2.2(e) - Provision for expected credit losses on trade receivables

(a) Revenue from shipbuilding contracts

The Group recognised revenue for shipbuilding contracts over time. Construction progress is measured based on the input method. Revenue is recognised with reference to the actual cost incurred to date as a percentage of the total estimated costs for the contract. Significant assumptions are required to estimate the total contract costs. The Group performs periodic reviews on the status of the shipbuilding projects and relies on the experience and knowledge of project managers to estimate total contract costs.

The Group is also required to determine the contract price in respect of each of its contracts with customers. In making such judgement, the Group assesses the impact of any variable consideration in the contract, due to discounts or penalties, the existence of any significant financing component and any non-cash consideration in the contract.

(b) Impairment of Group's non-financial assets

The current market uncertainties and sentiment have led to heightened uncertainty in estimating the recoverable amounts of the non-financial assets. Management has performed an impairment assessment on its property, plant and equipment and right-of-use assets based on the last valuation reports obtained from independent professional valuers as at 31 December 2025. There have been no adverse developments in 1H2026 to indicate the assets may be impaired.

The recoverable amounts could change significantly as a result of changes in market conditions and the assumptions used in determining the market value. A 5% change in the fair value of the non-financial assets will not result in an impairment loss on the Group's non-financial assets.

(c) Impairment of investment in a subsidiary

The carrying value of the investment in a subsidiary is reviewed for impairment whenever there is any indication that the investment is impaired. If this occurs, the investment's recoverable amount is estimated in accordance with the accounting policy described in Note 2. This determination requires significant judgement. The Company evaluates, amongst other factors, the future profitability of the subsidiaries, the financial health and the near-term business outlook including factors such as industry performance and operational and financing cash flows. The recoverable amount of the investment could change significantly as a result of changes in market conditions and assumptions used in determining the recoverable amount. A reasonably possible change in key assumptions indicates that the impact is insignificant.

2.2 Use of judgements and estimates (Cont'd)

(d) Net realisable value of vessel inventories

The Group reviews the realisable value of vessel inventories at the end of each reporting period and applies judgement and makes allowance for inventories, in particular, vessel inventories for which selling prices may have declined due to business environment and market conditions. Management estimates the net realisable value of the vessel inventories based on assessment of the projected timing of sales, prevailing customer demand, committed sales prices, estimated future pricing, recent sales activities and market positioning of the vessel inventories. The net realisable value of the vessel inventories may also be based on the valuations performed by the independent professional valuers. The estimated selling price may differ from the price at which the Group's vessel inventories could be sold at a particular time, since actual selling prices are negotiated between willing buyers and sellers. A reasonably possible change in key assumptions indicates that the impact is insignificant.

(e) Provision for expected credit losses on trade receivables

The Group uses a provision matrix to calculate expected credit losses ("**ECL**") for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns. The provision matrix is based on the Group's historical observed default rates, adjusted for forecast economic conditions with forward-looking information. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. A reasonable change in the estimates will not result in a significant impact to the Group's ECL.

2.3 Going concern

The financial statements have been prepared on a going concern basis. Excluding contract liabilities amounting to S$20.7 million mainly for delivery of vessels which will be recorded as revenue in 2H2026 and advance payments made to contractors and suppliers for the construction of vessels under construction amounted to S$0.5 million, the Group's current liabilities have exceeded its current assets by S$10.5 million.

In 1H2026, the Group has continued to generate positive cash inflows from its operations of S$12.6 million (1H2025: S$20.2 million) and reported net loss before tax of S$4.8 million (1H2025: net profit before tax of S$1.3 million) and total comprehensive loss of S$4.4 million (1H2025: total comprehensive income of S$0.15 million).

In assessing the appropriateness of the use of going concern basis of accounting in the preparation of the financial statements, management has considered projected cash inflow from the Group's operating activities and various sources of liquidity and funding available to the Group for the next twelve months. The condensed interim financial statements have been prepared on a going concern basis, which contemplates the realisation of assets and the satisfaction of liabilities in the normal course of business. Management is of the view that there are reasonable expectations that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future and particularly within the twelve months from the end of the current reporting period.

3. Seasonal operations

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

4. Segment information

The Group has 2 reportable segments as described below:

- Offshore Rig Services and Supply Chain Management: Includes chartering, freight, servicing and repair of vessels, provision of services of marine engineers, consultants, sub-contractors, labour supply, fabrication services, trading in drill pipes and related drilling materials, provision of services and rental of marine equipment and cranes and newbuild; and

- Trading in vessels.

These operating segments are reported in a manner consistent with internal reporting provided to the management committee whose members are responsible for allocating resources and assessing performance of the operating segments.

	Offshore Rig Services and Supply Chain Management					Trading in vessels	Adjustments and Eliminations	Total
	Marine Offshore Support Services	Shipbuilding contract income	Chartering and Towage	Equipment Rental	Sales of Goods			
6 Months ended 30 June 2026	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**
Total revenue from external customers	15,159	1,524	14,921	575	5,979	5,656	-	43,814
Inter-segment revenue	1,783	-	5,082	976	94	375	(8,310)	-
Total segment revenue	16,942	1,524	20,003	1,551	6,073	6,031	(8,310)	43,814
Other income								291
Finance costs								(1,882)
Segment results								(4,794)
Income tax expense								(18)
Loss for the period								(4,812)
Other Information								
Segment assets								172,496
Segment liabilities								128,149
Capital expenditure								4,044
Other material non-cash items:								
- Depreciation of property, plant and equipment and right-of-use assets								6,313
- Loss on disposal of property, plant and equipment								23

4. Segment information (Cont'd)

	Offshore Rig Services and Supply Chain Management					Trading in vessels	Adjustments and Eliminations	Total
	Marine Offshore Support Services	Shipbuilding contract income	Chartering and Towage	Equipment Rental	Sales of Goods			
6 Months ended 30 June 2025	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**
Total revenue from external customers	13,213	6,454	14,392	402	5,181	27,431	-	67,073
Inter-segment revenue	6,293	-	9,057	1,608	233	-	(17,191)	-
Total segment revenue	19,506	6,454	23,449	2,010	5,414	27,431	(17,191)	67,073
Other income								1,245
Finance costs								(1,899)
Segment results								1,309
Income tax expense								(12)
Profit for the period								1,297
Other Information								
Segment assets								187,571
Segment liabilities								129,125
Capital expenditure								17,464
Other material non-cash items:								
- Depreciation of property, plant and equipment and right-of-use assets								5,595
- Gain on disposal of property, plant and equipment								(31)

In presenting information on geographical segments, segment revenue is based on the delivery order address of customers. Segment assets, based on the geographical location of the assets, are all in Singapore.

	Group	
	6 Months Ended	
	30 June 2026	**30 June 2025**
	S$'000	**S$'000**
Segment Revenue		
Africa	–	13,991
Australia	88	244
China	390	440
Hong Kong	625	445
India	1,122	10
Indonesia	1,378	3,086
Korea	–	1,659
Malaysia	6,810	8,354
Marshall Island	977	–
Singapore	13,006	11,455
Taiwan	11,643	21,697
Thailand	3,218	1,706
Turkey	386	41
United Arab Emirates	160	1,659
United States of America	633	220
Europe	3,276	725
Vietnam	66	1,300
Others	36	41
	43,814	67,073

5. Financial assets and financial liabilities

The carrying amounts of financial assets and financial liabilities in each category are as follows:

	Group		Company	
	As at 30 June 2026 S$'000	**As at 31 Dec 2025 S$'000**	**As at 30 June 2026 S$'000**	**As at 31 Dec 2025 S$'000**
Financial assets at amortised cost				
Cash and cash equivalents	4,833	5,365	1	12
Trade and other receivables	30,220	20,096	24,835	30,130
	35,053	25,461	24,836	30,142
Financial liabilities at amortised cost				
Bank overdrafts	7,254	3,406	7	-
Loan and borrowings	50,954	60,280	26,247	30,708
Lease liabilities	9,313	11,274	-	-
Trade and other payables	31,431	30,375	762	364
	98,952	105,335	27,016	31,072

6. (Loss)/profit before tax

6.1 (Loss)/profit before tax is arrived at after charging/(crediting) the following:

	Group 6 Months Ended		
	30 June 2026 S$'000	**30 June 2025 S$'000**	**+/- %**
Interest income from bank deposits	(18)	(14)	29
Miscellaneous income	(273)	(1,012)	(73)
Loss/(gain) on disposal of property, plant and equipment and right-of-use assets	23	(31)	N.M.
Currency translations loss/(gain) - net	336	(187)	N.M.
Interest expense on loans and borrowings	1,882	1,899	(1)
Depreciation of property, plant and equipment and right-of-use assets	6,313	5,595	13

N.M. – not meaningful

6.2 Related party transactions

Please refer to paragraph 31 in this results announcement.

7. Tax expense

The major components of tax expense for the period ended 30 June 2026 and 30 June 2025 are:

	Group	
	6 Months Ended	
	30 June 2026	**30 June 2025**
	S$'000	**S$'000**
Current tax expense		
Under provision of current tax in respect to the prior year	17	12
Current tax expense	1	-
	18	12
Deferred tax expense		
Movement in temporary differences	-	-
	18	12

8. Net asset value

Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on; and (b) immediately preceding financial year:

	Group		Company	
	As at 30 June 2026	**As at 31 Dec 2025**	**As at 30 June 2026**	**As at 31 Dec 2025**
Net asset value per ordinary share (cents)	5.0	5.9	11.1	11.2
Number of ordinary shares used in calculating net asset value per ordinary share	704,932,400	704,932,400	704,932,400	704,932,400

9. Property, plant and equipment

During 1H2026, the Group acquired property, plant and equipment amounting to S$3.4 million (1H2025: S$16.1 million) and there was disposal of property, plant and equipment for 1H2026 amounting to S$0.4 million (1H2025: S$0.8 million).

10. Right-of-use assets

During 1H2026, the Group acquired right-of-use assets amounting to S$0.6 million (1H2025: S$1.3 million).

11. Loans and borrowings

Amount repayable in one (1) year or less, or on demand

	As at 30 June 2026 Secured S$'000	As at 31 Dec 2025 Secured S$'000
Bank overdrafts	7,254	3,406
Loans and borrowings	31,806*	41,705*
Lease liabilities	3,740	4,557

Amount repayable after one (1) year

	As at 30 June 2026 Secured S$'000	As at 31 Dec 2025 Secured S$'000
Loans and borrowings	19,148	18,575
Lease liabilities	5,573	6,717

* *includes renewable revolving money market line of S$5.0 million.*

Details of any collateral as at 30 June 2026

The loans and borrowings are secured as follows:

- Property, plant and equipment amounting to S$89.5 million (As at 31 December 2025: S$85.1 million) are pledged as collaterals for secured term loans, trust receipts and bank overdrafts;
- Fixed deposits of approximately S$0.3 million (As at 31 December 2025: S$0.3 million) are pledged as security deposits for the operating lease of office premises and warehouse as well as to secure term loans and finance lease liabilities; and
- Corporate guarantees by the Company amounting to S$42.1 million (As at 31 December 2025: S$43.1 million).

For the financial period ended 30 June 2026, the Group had breached loan covenants. The Group had obtained indulgence letters from financial institutions for the covenant breaches.

12. Share capital

	The Group and the Company			
	30 June 2026		31 Dec 2025	
	Number of shares '000	Amount S$'000	Number of shares '000	Amount S$'000
At beginning and end of period/year	704,932	74,409	704,932	74,409

The Company's subsidiaries do not hold any shares in the Company as at 30 June 2026 and 31 December 2025.

13. Inventories

The Group	As at 30 June 2026 $'000	As at 31 Dec 2025 $'000
At cost		
Finished goods (bunkers and materials)	1,682	708
Vessel held for trading	11,793	12,830
Vessels under construction	-	4,218
Construction work-in-progress	6,797	6,797
Allowance for inventory obsolescence:		
Opening balance	(451)	(474)
Exchange difference on translation	(3)	23
Closing balance	(454)	(451)
	19,818	24,102

14. Trade and other receivables

	Group		Company	
	As at 30 June 2026 S$'000	As at 31 Dec 2025 S$'000	As at 30 June 2026 S$'000	As at 31 Dec 2025 S$'000
Trade receivables				
- Third party	21,996	13,170	-	-
- Related party	4,190	2,031	-	-
- Subsidiaries	-	-	3,111	-
Allowance for impairment loss	(1,082)	(1,077)	-	-
Net trade receivables	25,104	14,124	3,111	-
Deposits	3,239	3,634	-	-
Amount due from subsidiaries (non-trade)	-	-	21,724	30,130
Other receivables	1,398	1,791	-	-
Advance payments to suppliers	479	547	-	-
Financial assets at amortised cost	30,220	20,096	24,835	30,130
GST receivables	1,037	205	9	3
Withholding tax	570	565	-	-
Prepayment	2,010	2,810	20	24
	33,837	23,676	24,864	30,157

15. Trade and other payables

	Group		Company	
	As at 30 June 2026 S$'000	As at 31 Dec 2025 S$'000	As at 30 June 2026 S$'000	As at 31 Dec 2025 S$'000
Trade payables				
- Third party	14,947	16,393	336	197
- Related party	294	287	-	-
Accrued operating expenses	11,743	10,159	426	167
Amount due to a director(1)	2,950	2,072	-	-
Other payables	269	215	-	-
Deposit received	1,228	1,249	-	-
	31,431	30,375	762	364

15. Trade and other payables (Cont'd)

<u>Note 1</u>

The non-trade amounts due to a director are loan advances which are unsecured, interest bearing and are repayable on demand.

16. Subsequent events

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

F. OTHER INFORMATION REQUIRED BY CATALIST RULE APPENDIX 7C

17. Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	Number of Shares	Issued and paid-up share capital (S$'000)
Issued and fully paid ordinary shares		
Balance as at 31 December 2025	704,932,400	74,409
Purchase of treasury shares	-	-
Balance as at 30 June 2026	704,932,400	74,409

During 1H2026, there was no acquisition of treasury shares (1H2025: Nil).

Treasury shares
The number of treasury shares held by the Company is 5,067,600 representing 0.72% of the total number of issued shares outstanding as at 30 June 2026, 31 December 2025 and 30 June 2025.

There were no outstanding options or convertibles held by the Company as at 30 June 2026, 31 December 2025 and 30 June 2025.

18. To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	As at 30 June 2026	As at 31 Dec 2025
Total issued shares (excluding treasury shares)	704,932,400	704,932,400

19. A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

During 1H2026, there were no sale, cancellation and/or use of treasury shares.

20. A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable.

21. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice

The condensed consolidated statement of financial position of Kim Heng Ltd. and its subsidiaries as at 30 June 2026 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

22. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

22.1 Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:

(a) Updates on the efforts taken to resolve each outstanding audit issue.

Not applicable. The Company's latest audited financial statements for financial year ended 31 December 2025 were not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

Not applicable.

23. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The financial information has been prepared in accordance with the Singapore Financial Reporting Standards (International) ("**SFRS(I)**") including SFRS(I) 1-34 Interim Financial Reporting, and the same accounting policies and methods of computation adopted in the audited financial statements of the last financial year, except for those disclosed under paragraph 24 below.

24. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group and the Company have adopted the new and revised SFRS(I)s, and Interpretations of SFRS(I) (""**SFRS(I) INTs**) that are effective for the period beginning on 1 January 2026. The adoption of these SFRS(I)s and SFRS(I) INTs did not have any significant effect on the financial statements of the Group and the Company.

25. (Loss)/profit per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends (Cont'd):

	6 Months Ended	
	30 June 2026	**30 June 2025**
(Loss)/profit attributable to owners of the Company (S$'000)	(6,230)	460
Weighted average number of ordinary shares outstanding	704,932,400	704,932,400
Basic and fully diluted (loss)/profit per share (cents)	(0.9)	0.1

The diluted and basic (loss)/profit per share are the same for each of 1H2026 and 1H2025 as the Company has no dilutive equity instruments as at 30 June 2026 and 30 June 2025.

26. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**
    (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
    (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

GROUP FINANCIAL PERFORMANCE

Consolidated Statement of Comprehensive Income

a) 1H2026 vs 1H2025

Revenue

Revenue for 1H2026 decreased by S$23.3 million or 35%, from S$67.1 million in 1H2025 to S$43.8 million in 1H2026 mainly due to following: -

a) decrease in revenue of S$21.8 million from trading in vessels mainly due to some of the vessels being expected to be delivered in 2H2026.
b) decrease in revenue of S$4.9 million from shipbuilding contract due to shipbuilding project progress completion timeline in 2H2026; offset by
c) increase in revenue of S$0.8 million from sale of materials due to higher demand;
d) increase in revenue of S$1.9 million and S$0.2 million from marine offshore support services and equipment rental respectively due to higher demand; and
e) increase in revenue of S$0.5 million from chartering and towage of vessels mainly due to completion of dry docking services on some vessels.

Cost of sales, gross profit and gross profit margin

Cost of sales decreased by S$16.3 million or 31%, from S$51.9 million in 1H2025 to S$35.6 million in 1H2026, in line with the decrease in revenue.

Gross profit decreased by S$7.0 million or 46%, from S$15.2 million in 1H2025 to S$8.2 million in 1H2026. Correspondingly, gross profit margin decreased to 19% in 1H2026 as compared to 23% in 1H2025 mainly due to lower gross profits margin from trading in vessels.

Other income

Other income decreased by S$0.9 million, from S$1.2 million in 1H2025 to S$0.3 million in 1H2026, mainly due to foreign exchange translation loss and lower miscellaneous income.

Distribution expenses

Distribution expenses decreased by S$0.8 million or 62% from S$1.3 million in 1H2025 to S$0.5 million in 1H2026 mainly due to lower vessel brokerage, commission, advertising and marketing expenses.

Administrative expenses

Administrative expenses decreased by S$1.6 million or 16%, from S$9.9 million in 1H2025 to S$8.3 million in 1H2026 mainly due to lower staff costs, foreign worker salary, and levy and lower professional fees.

Other expenses

Other expenses increased by S$0.6 million or 27%, from S$2.1 million in 1H2025 to S$2.6 million in 1H2026 mainly due to increase in medical fees and exchange loss.

Finance costs

Finance costs remained approximately the same at S$1.9 million in both 1H2025 and 1H2026.

Tax expense

Tax expense remained approximately the same in both 1H2025 and 1H2026.

Profit for the period

As a result of the above, the Group recorded a loss of S$4.8 million in 1H2026 as compared to a profit of S$1.3 million in 1H2025.

EBITDA

The group achieved an EBITDA of S$3.4 million in 1H2026 as compared to S$8.8 million in 1H2025.

Consolidated Statement of Financial Position

Non-current assets

Non-current assets decreased by S$2.3 million from S$110.3 million as at 31 December 2025 to S$108.0 million as at 30 June 2026. The decrease was mainly attributable to (i) a decrease in property, plant and equipment due to depreciation expenses, partially offset by additions during 1H2026; and (ii) a decrease in right-of-use assets due to depreciation expenses, being partially offset by additions during 1H2026.

Current assets

Current assets increased by S$4.9 million from S$59.6 million as at 31 December 2025 to S$64.5 million as at 30 June 2026. This increase was mainly due to increase in trade and other receivables; partially offset by a decrease in cash and cash equivalents, inventories and contract assets.

Trade and other receivables increased by S$10.1 million from S$23.7 million as at 31 December 2025 to S$33.8 million as at 30 June 2026 mainly due to increase in advance billing issued to customer upon signing of new contracts. This has led to an increase in the trade receivable turnover days from 81 days as at 31 December 2025 to 95 days as at 30 June 2026.

Inventories decreased by S$4.3 million from S$24.1 million as at 31 December 2025 to S$19.8 million as at 30 June 2026 mainly due to sale of vessels in 1H2026.

Contract assets decreased by S$0.4 million from S$6.4 million as at December 2025 to S$6.0 million as at 30 June 2026 mainly due to billing to customers.

Cash and cash equivalents decreased by S$0.6 million from S$5.4 million as at 31 December 2025 to S$4.8 million as at 30 June 2026. Please refer to "Consolidated Statement of Cash Flows" section below for more details.

Shareholders' Equity

Shareholders' equity amounted to S$35.5 million and S$41.6 million as at 30 June 2026 and 31 December 2025 respectively.

Non-controlling interests

Non-controlling interests increased by S$1.6 million from S$7.2 million as at 31 December 2025 to S$8.8 million as at 30 June 2026 mainly due to share of profit for 1H2026 attributed to non-controlling interests.

Non-current liabilities

Non-current liabilities decreased by S$0.7 million, from S$33.5 million as at 31 December 2025 to S$32.8 million as at 30 June 2026, mainly due to by repayment for loan and borrowings and lease liabilities; partially offset by additional loans draw down during 1H2026.

Current liabilities

Current liabilities increased by S$7.6 million, from S$87.7 million as at 31 December 2025 to S$95.3 million as at 30 June 2026 mainly due to increase in contract liabilities and bank overdrafts; partially offset by repayment for loan and borrowings and lease liabilities.

Trade payable turnover increased from 94 days as at 31 December 2025 to 108 days as at 30 June 2026 as the Group managed to negotiate extended credit terms with some of the suppliers to be in line with increase in receivables turnover.

Consolidated Statement of Cash Flows

In 1H2026, net cash generated from operating activities before changes in working capital amounted to S$3.4 million due to loss before income tax of S$4.8 million, and adjustments for depreciation of property, plant and equipment and right-of-use assets of S$6.3 million, interest expense of S$1.9 million. The overall net cash generated from operating activities after changes in working capital and income tax paid amounted to S$12.6 million.

Net cash used in investing activities of S$3.0 million in 1H2026 mainly due to purchase of property, plant and equipment, partially offset by proceeds from disposal of property, plant and equipment.

Net cash used in financing activities of S$13.9 million in 1H2026 mainly due to repayment of term loans, lease liabilities, trust receipts and interest payments, partially offset by proceeds of term loans.

As a result of the above and after adjusting for the effect of exchange rate fluctuations, there was a net decrease of S$4.3 million in cash and cash equivalents (as adjusted for deposits pledged and bank overdrafts) in 1H2026.

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

The Group's results for 1H2026 are generally in line with the Company's profit guidance announcement dated 11 August 2026.

28. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

While geopolitical instability may continue to support elevated oil prices and sustain upstream exploration and production spending, ongoing uncertainties relating to trade policies, regional conflicts and global economic growth could temper investment decisions and project execution. Demand for AHTS vessels is expected to remain broadly stable with charter rates likely to remain resilient but subject to short-term volatility arising from changes in market sentiment and geopolitical developments. The group will continue to leverage on its competitive strengths to seize any opportunities in the current environment.

29. If a decision regarding dividend has been made:-

(a) Whether an interim (final) ordinary dividend has been declared (recommended)

No dividend has been declared or recommended for 1H2026.

(b) Previous corresponding period

No dividend was declared or recommended for 1H2025.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country whether the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated)

Not applicable.

(d) Date Payable

Not applicable.

(e) The date on which registrable transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined

Not applicable.

30. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision

No dividend was declared or recommended for 1H2026 as the Group intends to conserve cash for working capital and business expansion purposes.

31. If the group has obtained a general mandate from shareholders for interested person transactions ("IPTs"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group has not obtained a general mandate from shareholders for interested person transactions.
The aggregate value of the interested person transaction during the 1H2026 was as follows:-

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)
	Total value of the transaction	**Total value of the transaction**
	$'000	**$'000**
Interest expense to Mr Thomas Tan Keng Siong, who is the Executive Chairman, Chief Executive Officer and Controlling Shareholder of the Group *	286	-
Interest expense to Mr Thomas Tan Keng Siong, who is the Executive Chairman, Chief Executive Officer and Controlling Shareholder of the Group #	88	-

*Please refer to the announcement dated 21 November 2025 for more details.
This is for the S$3.0 million temporary advance recorded in amount due to Mr. Thomas Tan Keng Siong at the interest rate of 7.0% p.a..

32. Negative assurance confirmation by directors pursuant to Rule 705(5) of the Catalist Rules

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the period ended 30 June 2026 to be false or misleading in any material aspect.

33. Disclosure on acquisition and realisation of shares pursuant to Rule 706(A) of the Catalist Rules

Save as disclosed below, there were no other acquisition or realization of shares thereby resulting (i) in a change in the shareholding percentage in any of the subsidiary or associated company of the Group or (ii) an entity becoming or ceasing to be (as the case may be) a subsidiary or associated company of the Group during 1H2026.

During 1H2026, the Company's wholly-owned subsidiary, Kim Heng Agency Pte Ltd ("**KHAPL**") acquired 20% interest in Mazu Offshore Sdn. Bhd.:

Name of company	:	Mazu Offshore Sdn. Bhd.
Share transfer date	:	11 May 2026
Issued and paid-up shares capital purchased	:	MYR 20,000
Percentage of issued and paid-up share capital held by KHAPL as at 30 Jun 2026	:	69%
Principal activity	:	Crew agency services including vessel crew change and custom clearances.

34. Confirmation that the Issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).

The Board of Directors confirms that they have procured undertakings from all its directors and executive officers in the format set out in Appendix 7H under Rule 720(1) of the Listing Manual of the SGX-ST.

On Behalf of the Board of Directors

Thomas Tan Keng Siong
Executive Chairman and CEO
14 August 2026