



Company Registration No. 201311482K

KIM HENG LIMITED

INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

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

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

6 Months Ended				
		Unaudited 1 Jan 2025 To 30 June 2025 S\$'000	Unaudited 1 Jan 2024 To 30 June 2024 S\$'000	+/- %
	Note			
Revenue	4	67,073	55,502	21
Cost of sales		(51,893)	(40,130)	29
Gross profit		15,180	15,372	N.M.
Gross profit margin		23%	28%	
Other income		1,245	539	>100
Distribution expenses		(1,286)	(1,091)	18
Administrative expenses		(9,872)	(10,587)	(7)
Other expenses		(2,059)	(1,893)	9
Finance costs		(1,899)	(1,896)	N.M.
Profit before tax	6	1,309	444	>100
Tax expense	7	(12)	(16)	(25)
Profit for the period		1,297	428	>100
Other comprehensive income, net of tax				
Items that may be reclassified subsequently to profit or loss:				
Foreign currency translation differences		(1,021)	350	N.M.
Items that will not be reclassified subsequently to profit or loss:				
Foreign currency translation differences		(123)	167	N.M.
Total comprehensive income for the period		153	945	(82)
Net profit/(loss) attributable to:				
Owners of the Company		460	(1,042)	N.M.
Non-controlling interests		837	1,470	(43)
		1,297	428	>100
EBITDA		8,803	6,702	31
Earnings/(loss) per share (cents)				
Basic	25	0.1	(0.1)	
Diluted	25	0.1	(0.1)	

N.M. – not meaningful

B. Condensed Interim Statement of Financial Position

		Group		Company	
		Unaudited As at 30 June 2025 S\$'000	Audited As at 31 Dec 2024 S\$'000	Unaudited As at 30 June 2025 S\$'000	Audited As at 31 Dec 2024 S\$'000
Note					
ASSETS					
Non-current assets					
Property, plant and equipment	9	94,581	81,291	—	—
Right-of-use assets	10	21,505	24,202	—	—
Club memberships		62	63	—	—
Investment in subsidiaries		—	—	80,127	80,127
		116,148	105,556	80,127	80,127
Current assets					
Inventories	13	11,231	20,874	—	—
Trade and other receivables	14	41,009	45,320	19,266	23,409
Contract assets		14,820	6,417	—	—
Cash and cash equivalents		4,363	3,360	77	14
		71,423	75,971	19,343	23,423
Total assets		187,571	181,527	99,470	103,550
EQUITY					
Share capital	12	74,409	74,409	74,409	74,409
Treasury shares		(363)	(363)	(363)	(363)
Reserves		(38,622)	(37,601)	—	—
Accumulated profits		14,723	14,263	4,141	4,344
Equity attributable to owners of the Company		50,147	50,708	78,187	78,390
Non-controlling interests		8,299	7,585	—	—
Total Equity		58,446	58,293	78,187	78,390
LIABILITIES					
Non-current liabilities					
Loans and borrowings	11	18,144	12,229	—	—
Lease liabilities	11	9,357	11,278	—	—
Deferred tax liabilities		6,742	6,796	—	—
		34,243	30,303	—	—
Current liabilities					
Bank overdrafts	11	1,842	3,279	—	—
Contract liabilities		16,225	16,659	—	—
Loans and borrowings	11	38,601	42,123	20,834	24,747
Lease liabilities	11	4,146	3,801	—	—
Trade and other payables	15	33,777	26,051	449	413
Current tax payable		291	1,018	—	—
		94,882	92,931	21,283	25,160
Total liabilities		129,125	123,234	21,283	25,160
Total equity and liabilities		187,571	181,527	99,470	103,550

C. Condensed Interim Consolidated Statement of Cash Flows

		Group	
		6 Months Ended	
		Unaudited	Unaudited
		30 June 2025	30 June 2024
	Note	S\$'000	S\$'000
Cash flows from operating activities			
Profit before income tax		1,309	444
Adjustments for:			
Depreciation of property, plant and equipment and right-of-use assets	6.1	5,595	4,362
(Gain)/loss on disposal of property, plant and equipment	6.1	(31)	44
Impairment loss reversed) on trade and other receivables	6.1	-	(5)
Interest income	6.1	(14)	(58)
Interest expense	6.1	1,899	1,896
		8,758	6,683
Changes in working capital:			
Inventories		9,643	(3,062)
Trade and other receivables and contract assets		(8,952)	(1,408)
Trade and other payables and contract liabilities		11,526	5,429
Cash generated from operations		20,975	7,642
Income tax paid		(747)	(670)
Net cash generated from operating activities		20,228	6,972
Cash flows from investing activities			
Deposits for purchase of property, plant and equipment		-	-
Purchase of property, plant and equipment and right-of-use assets		(15,417)	(6,187)
Proceeds from disposal of property, plant and equipment		802	350
Interest received		14	58
Net cash used in investing activities		(14,601)	(5,779)
Cash flows from financing activities			
Interest paid		(1,899)	(1,896)
Dividend paid		-	-
Repayment of lease liabilities		(2,797)	(2,075)
Repayment of term loans		(21,546)	(14,195)
(Repayment)/proceeds from trust receipts, net		3,582	2,351
Proceeds from term loan drawn down		19,665	8,086
Proceeds from issuance of shares to non-controlling interests		-	15
Purchase of treasury shares	12	-	(40)
Changes in deposits pledged		7	297
Net cash used in financing activities		(2,988)	(7,457)
Net increase/(decrease) in cash and cash equivalents		2,639	(6,264)
Cash and cash equivalents at beginning of the period		(236)	9,307
Effect of exchange rate fluctuations on cash and cash equivalents		(192)	213
Cash and cash equivalents at end of the period~		2,211	3,256
Significant non-cash transactions during the period:			
Acquisition of vessels		2,019	3,746
Acquisition of other plant and equipment		1,221	3,319
		3,240	7,065

C. Condensed Interim Consolidated Statement of Cash Flows (Cont'd)

	Note	Group	
		6 Months Ended	
		Unaudited 30 June 2025 S\$'000	Unaudited 30 June 2024 S\$'000
~Cash and cash equivalents consist of the following:			
Cash at bank and in hand		4,053	3,905
Fixed deposits		310	1,666
Cash and cash equivalents		4,363	5,571
Deposits pledged		(310)	(316)
Bank overdrafts		(1,842)	(1,999)
Cash and cash equivalents in the statements of cash flows		2,211	3,256

D. Condensed Interim Statements of Changes in Equity

Group	Share capital S\$'000	Treasury shares S\$'000	Merger deficit S\$'000	Currency translation reserve S\$'000	Capital reserve S\$'000	Accumulated profits S\$'000	Total equity attributable to owners of the Company S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
2024									
As at 1 Jan 2024 (Audited)	74,409	(323)	(32,763)	(837)	–	15,492	55,978	7,285	63,263
Total comprehensive income for the financial period									
(Loss)/profit for the financial period	–	–	–	–	–	(1,042)	(1,042)	1,470	428
Other comprehensive income									
Translation differences relating to financial statements of foreign operations	–	–	–	350	–	–	350	167	517
Total comprehensive income/(loss) for the financial period	–	–	–	350	–	(1,042)	(692)	1,637	945
Transactions with owners, recognised directly in equity									
Purchase of treasury shares	–	(40)	–	–	–	–	(40)	–	(40)
Non-controlling interests arising from increase in paid-up share capital of subsidiaries	–	–	–	–	–	–	–	15	15
Total transactions with owners	–	(40)	–	–	–	–	(40)	15	(25)
As at 30 June 2024 (Unaudited)	74,409	(363)	(32,763)	(487)	–	14,450	55,246	8,937	64,183

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

Group	Share capital S\$'000	Treasury shares S\$'000	Merger deficit S\$'000	Currency translation reserve S\$'000	Capital reserve S\$'000	Accumulated profits S\$'000	Total 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 income for the financial period									
Profit for the financial period	–	–	–	–	–	460	460	837	1,297
Other comprehensive income									
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
Transactions with owners, recognised directly in equity									
Purchase of treasury shares	–	–	–	–	–	–	–	–	–
Non-controlling interests arising from decrease in paid-up share capital of subsidiaries	–	–	–	–	–	–	–	–	–
Total transactions with owners	–	–	–	–	–	–	–	–	–
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)

Company	Share capital S\$'000	Treasury shares S\$'000	Accumulated profits S\$'000	Total equity S\$'000
<u>2024</u>				
As at 1 Jan 2024 (Audited)	74,409	(323)	1,795	75,881
Total comprehensive loss for the financial period	–	–	(977)	(977)
Transactions with owners, recognised directly in equity				
Purchase of treasury shares	–	(40)	–	(40)
As at 30 June 2024 (Unaudited)	74,409	(363)	818	74,864
<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)
Transactions with owners, recognised directly in equity				
Purchase of treasury shares	–	–	–	–
As at 30 June 2025 (Unaudited)	74,409	(363)	4,141	78,187

E. NOTES TO THE 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 2024 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 2025 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 2024.

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 have 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 2025. 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 2024.

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.

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 2025 are included in the following notes:

- 2.2(a) - Impairment of Group’s non-financial assets
- 2.2(b) - Provision for expected credit losses on trade receivables

2.2 Use of judgements and estimates (Cont'd)

(a) 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 2024. There have been no adverse developments in the 1H2025 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.

(b) 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. This assessment involves significant estimate. Additionally, 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\$16.2 million mainly for delivery of vessels which will be recorded as revenue in 2H2025 and advance payments made to contractors and suppliers for the construction of vessels under construction amounted to S\$5.9 million, the Group's current liabilities have exceeded its current assets by S\$13.2 million.

In 1H2025, the Group has continued to generate positive cash inflows from its operations of S\$20.2 million (1H2024: S\$7.0 million) and reported net profit before tax of S\$1.31 million (1H2024: S\$0.45million) and total comprehensive income of S\$0.15 million (1H2024: S\$0.95 million).

In assessing the appropriateness of the use of going concern basis of accounting in the preparation of the financial statements, management has considered 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 6 reportable segments as described below:

- Marine Offshore Support Services: vessels repair, offshore rig & supply base services and crew management;
- Shipbuilding Contract income: new build vessel projects;
- Chartering and Towage: chartering of ships, barges and boats with crew;
- Equipment Rental: sale, rent and lease of industrial machinery & equipment and spare parts;
- Sale of Goods: value added logistic providers and supply chain;
- Trading of vessels: revenue generated from 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 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)
- Impairment loss reversed on trade and other receivables								-

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 2024	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Total revenue from external customers	14,609	-	17,566	1,273	1,343	20,711	-	55,502
Inter-segment revenue	5,023	-	7,621	1,296	12	7,473	(21,425)	-
Total segment revenue	19,632	-	25,187	2,569	1,355	28,184	(21,425)	55,502
Other income								539
Finance costs								(1,896)
Segment results								444
Income tax expense								(16)
Profit for the period								428
Other Information								
Segment assets								175,391
Segment liabilities								111,208
Capital Expenditure								8,166
Other material non-cash items:								
- Depreciation of property, plant and equipment and right-of-use assets								4,362
- Loss on disposal of property, plant and equipment								44
- Impairment loss reversed on trade and other receivables								(5)

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 2025 S\$'000	30 June 2024 S\$'000
Segment Revenue		
Africa	13,991	-
Australia	244	489
China	440	51
Hong Kong	445	298
Indonesia	3,086	143
Korea	1,659	438
Malaysia	8,354	9,591
Singapore	11,455	5,970
Taiwan	21,697	11,295
Thailand	1,706	3,532
United Arab Emirates	1,659	11,923
United States of America	220	2,073
Europe	725	8,872
Vietnam	1,300	759
Others	92	68
	67,073	55,502

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 2025 S\$'000	As at 31 Dec 2024 S\$'000	As at 30 June 2025 S\$'000	As at 31 Dec 2024 S\$'000
Financial assets at amortised cost				
Cash and cash equivalents	4,053	3,043	77	14
Trade and other receivables	38,984	43,411	19,205	23,383
	<u>43,037</u>	<u>46,454</u>	<u>19,282</u>	<u>23,397</u>
Financial liabilities at amortised cost				
Bank overdrafts	1,842	3,279	-	-
Loan and borrowings	56,745	54,352	20,834	24,747
Lease liabilities	13,503	15,079	-	-
Trade and other payables	33,777	26,051	449	413
	<u>105,867</u>	<u>98,761</u>	<u>21,283</u>	<u>25,160</u>

6. Profit before tax

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

	Group		+/- %
	30 June 2024 S\$'000	30 June 2023 S\$'000	
Interest income from bank deposits	(14)	(58)	(76)
Miscellaneous income	(1,012)	(187)	>100
(Gain)/loss on disposal of property, plant and equipment and right-of-use assets	(31)	44	N.M.
Currency translations (gain)/loss - net	(187)	(294)	(36)
Interest on loans and borrowings	1,899	1,896	0
Depreciation of property, plant and equipment and right-of-use assets	5,595	4,362	28
Impairment loss reversed on trade and other receivables	-	(5)	N.M.

N.M. – not meaningful

6.2 Related party transactions

Please refer to paragraph 31 in this result announcement.

7. Tax expense

The major components of tax expense for the period ended 30 June 2025 and 30 June 2024 are:

	Group	
	6 Months Ended	
	30 June 2025	30 June 2024
	S\$'000	S\$'000
Current tax expense		
Under provision of current tax in respect to the prior year	12	16
Current tax expense	-	-
	<u>12</u>	<u>16</u>
Deferred tax expense		
Movement in temporary differences	-	-
	<u>12</u>	<u>16</u>

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	As at	As at	As at
	30 June 2025	31 Dec 2024	30 June 2025	31 Dec 2024
Net asset value per ordinary share (cents)	7.1	7.2	11.1	11.1
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 1H2025, the Group acquired property, plant and equipment amounting to S\$16.1 million (1H2024: S\$12.1 million) and there is disposal of property, plant and equipment for 1H2024 amounting to S\$0.8 million (1H2024: Nil).

10. Right-of-use assets

During 1H2025, the Group acquired right-of-use assets amounting to S\$1.3 million (1H2024: S\$0.2 million) and there is no disposal of right-of-use assets for 1H2025 and 1H2024.

11. Loans and borrowings

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

	As at 30 June 2025 Secured S\$'000	As at 31 Dec 2024 Secured S\$'000
Bank overdrafts	1,842	3,279
Loans and borrowings	38,601*	42,123 [#]
Lease liabilities	4,146	3,801

Amount repayable after one (1) year

	As at 30 June 2025 Secured S\$'000	As at 31 Dec 2024 Secured S\$'000
Loans and borrowings	18,144	12,229
Lease liabilities	9,357	11,278

* includes renewable revolving money market line of S\$5.0 million, S\$3.5 million revolving credit facility utilised to be converted into term loan in 2H2025 for vessels.

[#] Includes renewable revolving money market line of S\$5.0 million and S\$10.97 million trust receipts utilised to be converted into term loan in 1H2025 for vessels.

Details of any collateral as at 30 June 2025

The loans and borrowings are secured as follows:

- Property, plant and equipment amounting to S\$88.8 million (FY2024: S\$59.9 million) are pledged as collaterals for secured term loans, trust receipts and bank overdrafts;
- Fixed deposits of approximately S\$0.3 million (FY2024: 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\$49.9 million (FY2024: S\$44.5 million).

For the financial period ended 30 June 2025, the Group had breached a loan covenant. On 19 June 2025, the Group had obtained an indulgence letter from the financial institution for the covenant breach.

12. Share capital

	The Group and the Company			
	30 June 2025		31 Dec 2024	
	Number of shares '000	Amount S\$'000	Number of shares '000	Amount S\$'000
Beginning of interim period/year	704,932	74,409	705,442	74,409
Purchase of treasury shares	-	-	(510)	-
End of interim 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 2025 and 31 December 2024.

13. Inventories

	Group		Company	
	As at 30 June 2025 \$'000	As at 31 Dec 2024 \$'000	As at 30 June 2025 \$'000	As at 31 Dec 2024 \$'000
Finished goods (bunkers and materials), at cost	1,370	1,061	-	-
Vessel held for trading	6,590	13,923	-	-
Vessels under construction	-	2,645	-	-
Construction work-in-progress	3,719	3,719	-	-
Allowance for inventory obsolescence:				
Opening balance	(474)	(461)	-	-
Exchange difference on translation	26	(13)	-	-
	(448)	(474)	-	-
	11,231	20,874	-	-

14. Trade and other receivables

	Group		Company	
	As at 30 June 2025 S\$'000	As at 31 Dec 2024 S\$'000	As at 30 June 2025 S\$'000	As at 31 Dec 2024 S\$'000
Trade receivables	26,123	27,117	-	-
Allowance for impairment loss	(681)	(693)	-	-
Net trade receivables	25,442	26,424	-	-
Deposits	4,688	4,131	-	-
Amount due from subsidiaries (trade)	-	-	783	2,964
Amount due from subsidiaries (non-trade)	-	-	18,422	20,419
Amount due from a related party (non-trade)	1,912	2,080	-	-
Other receivables	1,030	1,320	-	-
Advance payments to suppliers	5,913	9,456	-	-
Financial assets at amortised cost	38,985	43,411	19,205	23,383
GST receivables	110	206	11	3
Withholding tax	568	425	-	-
Prepayment	1,346	1,278	50	23
	41,009	45,320	19,266	23,409

15. Trade and other payables

	Group		Company	
	As at 30 June 2025 S\$'000	As at 31 Dec 2024 S\$'000	As at 30 June 2025 S\$'000	As at 31 Dec 2024 S\$'000
Trade payables	13,445	12,159	317	267
Accrued expenses	15,956	10,650	132	146
Accrued capital expenditure	1,270	1,193	-	-
Amount due to a director ⁽¹⁾	1,648	1,386	-	-
Other payables	82	159	-	-
Deposit received	1,376	504	-	-
	33,777	26,051	449	413

Notes:

(1) 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 has 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 at 31 December 2024	704,932,400	74,409
Purchase of treasury shares	-	-
Balance as at 30 June 2025	704,932,400	74,409

During the half year ended 30 June 2025 ("1H2025"), there was no acquisition of treasury shares (1H2024: 509,700 shares).

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 2025, 31 December 2024 and 30 June 2024.

There were no outstanding options or convertibles held by the Company as at 30 June 2025, 31 December 2024 and 30 June 2024.

- 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 2025	As at 31 Dec 2024
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 1H2025, 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 2025 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 2024 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 2025. 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)/Earnings 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 2025	30 June 2024
Net profit/(loss) attributable to equity holders of the Company (S\$'000)	460	(1,042)
Weighted average number of ordinary shares outstanding	704,932,400	704,981,852
Basic and fully diluted profit/(loss) per share (cents)	0.1	(0.1)

The diluted and basic (loss)/profit per share are the same for each of 1H2025 and 1H2024 as the Company has no dilutive equity instruments as at 30 June 2025 and 30 June 2024.

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) 1H2025 vs 1H2024

Revenue

Revenue for 1H2025 increased by S\$11.6 million or 21%, from S\$55.5 million in 1H2024 to S\$67.1 million in 1H2025 mainly due to following: -

- a) increase in revenue of S\$6.7 million from trading in vessels mainly due to delivery of vessels completed in 1H2025;
- b) increase in revenue of S\$6.5 million from shipbuilding contract due to shipbuilding projects progress completion in 1H2025;
- c) increase in revenue of S\$3.9 million from sale of materials due to higher demand; offset by
- d) decrease in revenue of S\$3.2 million from chartering and towage of vessels mainly due to dry docking of vessels for special class survey; and
- e) decrease in revenue of S\$1.4 million and S\$0.9 million respectively from marine offshore support services, and equipment rental mainly due to lower demand.

Cost of sales, gross profit and gross profit margin

Cost of sales increased by S\$11.8 million or 29%, from S\$40.1 million in 1H2024 to S\$51.9 million in 1H2025, in line with the increase in revenue.

Gross profit decreased by S\$0.2million or 1%, from S\$15.4 million in 1H2024 to S\$15.2 million in 1H2025. Correspondingly, gross profit margin decreased to 23% in 1H2025 as compared to 28% in 1H2024 mainly due to lower gross profits margin from sale of materials, chartering and towage income and equipment rental income.

Other income

Other income increased by S\$0.7 million, from S\$0.5 million in 1H2024 to S\$1.2 million in 1H2025, mainly due to higher insurance compensation; partially offset by lower forex translation gain.

Distribution expenses

Distribution expenses increased by S\$0.2 million or 18% from S\$1.1 million in 1H2024 to S\$1.3 million in 1H2025 mainly due to higher vessel brokerage fee and commission.

Administrative expenses

Administrative expenses decreased by S\$0.7 million or 7%, from S\$10.6 million in 1H2024 to S\$9.9 million in 1H2025 mainly due to lower staff costs, foreign worker salary, and levy.

Other expenses

Other expenses increased by S\$0.2 million or 9%, from S\$1.9 million in 1H2024 to S\$2.1 million in 1H2025 mainly due to increase in medical fees.

Finance costs

Finance costs remained approximately the same at S\$1.8 million in both 1H2024 and 1H2025.

Tax expense

Tax expense remained approximately the same in both 1H2024 and 1H2025.

Profit for the period

As a result of the above, the Group achieved a profit of S\$1.3 million in 1H2025 as compared to S\$0.4 million in 1H2024.

EBITDA

The group achieved an EBITDA of S\$8.8 million in 1H2025 as compared to S\$6.7 million in 1H2024.

Consolidated Statement of Financial Position

Non-current assets

Non-current assets increased by S\$10.6 million from S\$105.6 million as at 31 December 2024 to S\$116.2 million as at 30 June 2025. The increase was mainly due to increase in property, plant and equipment in 1H2025; partially offset by depreciation expenses of property, plant and equipment.

Current assets

Current assets decreased by S\$4.6 million from S\$76.0 million as at 31 December 2024 to S\$71.4 million as at 30 June 2025. This decrease was mainly due to decrease in trade and other receivables and inventories; partially offset by an increase in cash and cash equivalents and contract assets.

Trade and other receivables decreased by S\$4.3 million from S\$45.3 million as at 31 December 2024 to S\$41.0 million as at 30 June 2025 mainly due to decrease in advance payment to suppliers and trade receivables.

Receivable turnover increased from 82 days as at 31 December 2024 to 100 days as at 30 June 2025 due to progressive claims for certain projects which take longer time for final billing approval.

Inventories decreased by S\$9.7 million from S\$20.9 million as at 31 December 2024 to S\$11.2 million as at 30 June 2025 mainly due to sale of vessels in 1H2025; offset by vessel purchased for trading purposes.

Contract assets increased by S\$8.4 million from S\$6.4 million as at December 2024 to S\$14.8 million as at 30 June 2025 mainly due to revenue accrued before billing to customers.

Cash and cash equivalents increased by S\$1.0 million from S\$3.4 million as at 31 December 2024 to S\$4.4 million as at 30 June 2025 mainly due to net cash received from operating activities. Please refer to "Consolidated Statement of Cash Flows" section below for more details.

Shareholders' Equity

Shareholders' equity amounted to S\$50.1 million and S\$50.7 million as at 30 June 2025 and 31 December 2024 respectively.

Non-controlling interests

Non-controlling interests increased by S\$0.7 million from S\$7.6 million as at 31 December 2024 to S\$8.3 million as at 30 June 2025 mainly due to share of profit for 1H2024 attributed to non-controlling interests.

Non-current liabilities

Non-current liabilities increased by S\$3.9 million, from S\$30.3 million as at 31 December 2024 to S\$34.2 million as at 30 June 2025, mainly due to additional loans draw down during 1H2025; partially offset by repayment for loan and borrowings and lease liabilities.

Current liabilities

Current liabilities increased by S\$1.8 million, from S\$93.0 million as at 31 December 2024 to S\$94.8 million as at 30 June 2025 mainly due to increase in trade and other payables; partially offset by repayment for loan and borrowings and lease liabilities.

Payable turnover increased from 89 days as at 31 December 2024 to 97 days as at 30 June 2025 as the Group managed to negotiate better credit terms with suppliers to be in line with increase in receivables turnover.

Consolidated Statement of Cash Flows

In 1H2025, net cash generated from operating activities before changes in working capital amounted to S\$8.8 million due to profit before income tax of S\$1.3 million, and adjustments for depreciation of property, plant and equipment and right-of-use assets of S\$5.6 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\$20.2 million.

Net cash used in investing activities of S\$14.6 million in 1H2025 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\$3.0 million in 1H2025 mainly due to repayment of term loans, lease liabilities and interest payments; partially offset by proceeds of term loans and trust receipts.

As a result of the above and after adjusting for the effect of exchange rate fluctuations, there was a net increase of S\$2.6 million in cash and cash equivalents (as adjusted for deposits pledged) in 1H2025.

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

No applicable. No forecast or prospect statement has been made.

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.

The group had taken a further step in 1H2025 in its journey towards renewable energy by deploying the newly reactivated geotechnical vessel to an offshore windfarm project in Korea. We look forward to enhance our submarine optic and power cables installation capabilities.

While demand for offshore and marine vessels remains robust, we shall be vigilant of any unexpected shifts in this volatile general macro environment affected by ongoing tariffs worldwide.

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 1H2025.

(b) Previous corresponding period

No dividend was declared or recommended for 1H2024.

(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 1H2025 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 1H2025 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 *	85	-
Interest expense to Mr Thomas Tan Keng Siong, who is the Executive Chairman, Chief Executive Officer and Controlling Shareholder of the Group #	44	-

*Please refer to the announcement dated 18 September 2023 for more details.

This is for the S\$1.57 million temporary advance recorded in amount due to Mr. Thomas Tan Keng Siong at the interest rate of 7.5% p.a..

32. Negative Assurance Confirmation by Directors Pursuant to SGX Listing Rule 705(5)

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 of the six-month period ended 30 June 2025 to be false or misleading in any material aspect.

33. Disclosure on Acquisition and Realisation of Share pursuant to Rule 706(A) of the Catalist Rules

There were no acquisition or realisation 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 1H2025.

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
12 August 2025