



Company Registration No. 201311482K

## **KIM HENG LTD.**

### **CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2025**

*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 Consolidated Statement of Profit or Loss and Other Comprehensive Income for the six months and full year ended 31 December 2025**

	Note	6 Months			12 Months		
		1 Jul 2025 to	1 Jul 2024 to	+/(-)	1 Jan 2025	1 Jan 2024	+/(-)
		31 Dec 2025	31 Dec 2024		31 Dec 2025	31 Dec 2024	
		(Unaudited) ("2H 2025")	(Unaudited) ("2H 2024")		(Unaudited) ("FY 2025")	(Audited) ("FY 2024")	
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	4	53,916	67,232	(20)	120,989	122,734	(1)
Cost of sales		(46,480)	(51,616)	(10)	(98,373)	(91,746)	7
<b>Gross profit</b>		7,436	15,616	(52)	22,616	30,988	(27)
<b>Gross profit margin</b>		14%	23%		19%	25%	
Other income		1,006	2,288	(56)	2,251	2,827	(20)
Distribution expenses		(531)	(939)	(43)	(1,817)	(2,030)	(10)
Administrative expenses		(9,430)	(10,131)	(7)	(19,302)	(20,718)	(7)
Other operating expenses		(4,798)	(2,358)	>100	(6,857)	(4,251)	61
Finance costs		(2,210)	(2,220)	N.M.	(4,109)	(4,116)	N.M.
(Provision)/ reversal of impairment loss on property, plant and equipment		-	2,317	N.M.	-	2,317	N.M.
(Loss)/ profit before tax	6	(8,527)	4,573	N.M.	(7,218)	5,017	N.M.
Tax expense	7	(2,354)	(2,457)	(4)	(2,366)	(2,473)	(4)
<b>(Loss)/ profit for the period/year</b>		(10,881)	2,116	N.M.	(9,584)	2,544	N.M.
<b>Other comprehensive (loss)/ profit, net of tax</b>							
<b>Items that may be reclassified subsequently to profit or loss:</b>							
Foreign currency translation differences		713	196	>100	(308)	546	N.M.
<b>Items that will not be reclassified subsequently to profit or loss:</b>							
Foreign currency translation differences		475	171	>100	352	338	4
<b>Total comprehensive (loss)/ profit for the period/year</b>		(9,693)	2,483	N.M.	(9,540)	3,428	N.M.
<b>(Loss)/ profit attributable to:</b>							
Owners of the Company		(9,283)	1,312	N.M.	(8,823)	270	N.M.
Non-controlling Interests		(1,598)	804	N.M.	(761)	2,274	N.M.
		(10,881)	2,116		(9,584)	2,544	
<b>Total comprehensive profit/(loss) attributable to:</b>							
Owners of the Company		(8,570)	1,508	N.M.	(9,131)	816	N.M.
Non-controlling interests		(1,123)	975	N.M.	(409)	2,612	N.M.
		(9,693)	2,483		(9,540)	3,428	
<b>EBITDA</b>		(272)	11,227	N.M.	8,531	17,929	(52)
<b>(Loss)/ earnings per Share</b>							
Basic and diluted (cents)	27	(1.32)	0.19		(1.25)	0.04	

N.M. – not meaningful

**B. Condensed Statement of Financial Position as at 31 December 2025**

	Note	Group		Company	
		31 December 2025 (Unaudited) S\$'000	31 December 2024 (Audited) S\$'000	31 December 2025 (Unaudited) S\$'000	31 December 2024 (Audited) S\$'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	10	94,675	81,291	-	-
Right-of-use assets	11	15,543	24,202	-	-
Club memberships		63	63	-	-
Investment in subsidiaries		-	-	80,127	80,127
		<u>110,281</u>	<u>105,556</u>	<u>80,127</u>	<u>80,127</u>
<b>Current assets</b>					
Inventories	14	24,102	20,874	-	-
Trade and other receivables	15	30,136	51,737	30,157	23,409
Cash and cash equivalents		5,365	3,360	12	14
		<u>59,603</u>	<u>75,971</u>	<u>30,169</u>	<u>23,423</u>
<b>Total assets</b>		<u>169,884</u>	<u>181,527</u>	<u>110,296</u>	<u>103,550</u>
<b>EQUITY</b>					
Share capital	13	74,409	74,409	74,409	74,409
Treasury shares		(363)	(363)	(363)	(363)
Reserves		(37,909)	(37,601)	-	-
Accumulated profits		5,440	14,263	5,178	4,344
<b>Equity attributable to owners of the Company</b>		<u>41,577</u>	<u>50,708</u>	<u>79,224</u>	<u>78,390</u>
Non-controlling interests		7,176	7,585	-	-
<b>Total Equity</b>		<u>48,753</u>	<u>58,293</u>	<u>79,224</u>	<u>78,390</u>
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
Loans and borrowings	12	18,575	12,229	6,205	-
Lease liabilities	12	6,717	11,278	-	-
Deferred tax liabilities		8,168	6,796	-	-
		<u>33,460</u>	<u>30,303</u>	<u>6,205</u>	<u>-</u>
<b>Current liabilities</b>					
Bank overdraft	12	3,406	3,279	-	-
Loans and borrowings	12	41,705	42,123	24,503	24,747
Lease liabilities	12	4,557	3,801	-	-
Trade and other payables	16	37,348	42,710	364	413
Current tax payable		655	1,018	-	-
		<u>87,671</u>	<u>92,931</u>	<u>24,867</u>	<u>25,160</u>
<b>Total liabilities</b>		<u>121,131</u>	<u>123,234</u>	<u>31,072</u>	<u>25,160</u>
<b>Total equity and liabilities</b>		<u>169,884</u>	<u>181,527</u>	<u>110,296</u>	<u>103,550</u>

### C. Condensed Consolidated Statement of Cash Flows for the full year ended 31 December 2025

	Note	Group 12 Months Ended	
		31 December 2025 (Unaudited) S\$'000	31 December 2024 (Audited) S\$'000
<b>Cash flows from operating activities</b>			
(Loss)/ profit before income tax		(7,218)	5,017
Adjustments for:			
Depreciation of property, plant and equipment and right-of-use assets	6	11,640	8,796
Loss on disposal of property, plant and equipment, right-of-use assets and assets held for sale	6	1,235	197
Impairment loss reversed on property, plant and equipment	6	-	(2,317)
Impairment loss recognised/ (reversed) on trade and other receivables	6	543	(32)
Interest income	6	(37)	(66)
Interest expense	6	4,109	4,116
<b>Operating profit before working capital changes</b>		10,272	15,711
<b>Changes in working capital:</b>			
Inventories		(4,766)	15,523
Trade and other receivables and contract assets		19,672	(9,890)
Trade and other payables and contract liabilities		(4,861)	1,901
Cash generated from operations		20,317	23,245
Income tax paid		(2,045)	(1,794)
<b>Net cash generated from operating activities</b>		18,272	21,451
<b>Cash flows from investing activities</b>			
Deposits for purchase of property, plant and equipment		(30)	-
Acquisition of property, plant and equipment and right-of-use assets		(17,218)	(11,583)
Proceeds from disposal of property, plant and equipment, right-of-use assets and assets held-for-sale		4,854	483
Advance paid to supplier for capital expenditure		-	(7,012)
Amounts due from related party		261	(2,080)
Interest received		37	66
<b>Net cash used in investing activities</b>		(12,096)	(20,126)
<b>Cash flows from financing activities</b>			
Interest paid		(4,109)	(4,046)
Dividend paid		-	(1,499)
Purchase of treasury shares		-	(40)
Acquisition of non-controlling interest		-	(6,859)
Repayment of lease liabilities		(5,479)	(4,205)
Repayment of term loans and shareholder loan		(38,568)	(26,998)
Proceeds from trust receipts		4,659	7,074
Proceeds from term loans and shareholder loan		38,573	24,133
Amounts due to directors		686	1,350
Changes in deposits pledged		5	296
<b>Net cash used in financing activities</b>		(4,233)	(10,794)
<b>Net increase/ (decrease) in cash and cash equivalents</b>		1,943	(9,469)
Cash and cash equivalents at beginning of the year		(236)	9,307
Effect of exchange rate fluctuations on cash and cash equivalents		(60)	(74)
<b>Cash and cash equivalents at end of the year</b>		1,647	(236)

**C. Condensed Consolidated Statement of Cash Flows for the full year ended 31 December 2025 (Cont'd)**

		Group	
		12 Months Ended	
		31 December 2025	31 December 2024
		(Unaudited)	(Audited)
		S\$'000	S\$'000
<b>Significant non-cash transactions during the year:</b>			
Acquisition of vessels		1,518	4,785
Acquisition of other plant and equipment		1,675	3,477
		3,193	8,262
<b>Cash and cash equivalents consist of the following:</b>			
Cash at bank and in hand		5,053	3,043
Fixed deposits		312	317
Cash and cash equivalents		5,365	3,360
Bank overdraft	12	(3,406)	(3,279)
Deposits pledged		(312)	(317)
Cash and cash equivalents in the statements of cash flows		1,647	(236)

#### D. Condensed Statements of Changes in Equity for the Financial Year ended 31 December 2025

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	Equity attributable to equity holders of the Company S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
<b>2024 (Audited)</b>									
As at 1 January 2024	74,409	(323)	(32,763)	(837)	-	15,492	55,978	7,285	63,263
<b>Total comprehensive income for the year</b>									
Profit for the year	-	-	-	-	-	270	270	2,274	2,544
<b>Other comprehensive income</b>									
Translation differences relating to financial statements of foreign operations	-	-	-	546	-	-	546	338	884
Total comprehensive income for the year	-	-	-	546	-	270	816	2,612	3,428
<b>Transactions with owners, recognised directly in equity</b>									
Purchase of treasury shares	-	(40)	-	-	-	-	(40)	-	(40)
Acquisition of non-controlling interest	-	-	-	-	(4,547)	-	(4,547)	(2,312)	(6,859)
Dividends	-	-	-	-	-	(1,499)	(1,499)	-	(1,499)
<b>Total transactions with owners</b>	-	(40)	-	-	(4,547)	(1,499)	(6,086)	(2,312)	(8,398)
<b>As at 31 December 2024</b>	<b>74,409</b>	<b>(363)</b>	<b>(32,763)</b>	<b>(291)</b>	<b>(4,547)</b>	<b>14,263</b>	<b>50,708</b>	<b>7,585</b>	<b>58,293</b>

**D. Condensed Statements of Changes in Equity for the Financial Year ended 31 December 2025 (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	Equity attributable to equity holders of the Company S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
<b>2025 (Unaudited)</b>									
<b>As at 1 January 2025</b>	74,409	(363)	(32,763)	(291)	(4,547)	14,263	50,708	7,585	58,293
<b>Total comprehensive (loss)/ income for the year</b>									
Loss for the year	-	-	-	-	-	(8,823)	(8,823)	(761)	(9,584)
<b>Other comprehensive (loss)/ income</b>									
Translation differences relating to financial statements of foreign operations	-	-	-	(308)	-	-	(308)	352	44
Total comprehensive (loss)/ income for the year	-	-	-	(308)	-	(8,823)	(9,131)	(409)	(9,540)
<b>Transactions with owners, recognised directly in equity</b>									
Purchase of treasury shares	-	-	-	-	-	-	-	-	-
Acquisition of non-controlling interest	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-
<b>Total transactions with owners</b>	-	-	-	-	-	-	-	-	-
<b>As at 31 December 2025</b>	74,409	(363)	(32,763)	(599)	(4,547)	5,440	41,577	7,176	48,753

**D. Condensed Statements of Changes in Equity for the Financial Year ended 31 December 2025 (Cont'd)**

Company	Share capital S\$'000	Treasury shares S\$'000	Accumulated profits S\$'000	Total equity S\$'000
<b><u>2024 (Audited)</u></b>				
<b>As at 1 January 2024</b>	74,409	(323)	1,795	75,881
Total comprehensive income for the year	-	-	4,048	4,048
<b>Transactions with owners, recognised directly in equity</b>				
Purchase of treasury shares	-	(40)	-	(40)
Dividends	-	-	(1,499)	(1,499)
<b>As at 31 December 2024</b>	74,409	(363)	4,344	78,390
 <b><u>2025 (Unaudited)</u></b>				
<b>As at 1 January 2025</b>	74,409	(363)	4,344	78,390
Total comprehensive income for the year	-	-	834	834
<b>Transactions with owners, recognised directly in equity</b>				
Purchase of treasury shares	-	-	-	-
Dividends	-	-	-	-
<b>As at 31 December 2025</b>	74,409	(363)	5,178	79,224

## **E. NOTES TO THE CONDENSED 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 Exchange of Singapore.

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

These condensed consolidated financial statements 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 financial statements for the six months and full year ended 31 December 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 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 interim financial statements for the period ended 30 June 2025.

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

The condensed 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 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 result 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.

## 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 31 December 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

### (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 2025.

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.

## 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 two reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the Group's Chief Executive Officer ("CEO") (the chief operating decision maker) reviews internal management reports on a monthly basis to make strategic decisions. The following summary describes the operations in each of the Group's reportable segments:

- 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.
- Vessel Sales: Include trading of 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.

#### 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 31 December 2025	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Total revenue from external customers	18,896	1,551	14,886	510	8,982	9,091	-	53,916
Inter-segment revenue	8,568	-	7,680	570	42	3,960	(20,820)	-
Total segment revenue	27,464	1,551	22,566	1,080	9,024	13,051	(20,820)	53,916

Other income								1,006
Finance costs								(2,210)
Segment results								(8,527)
Income tax expense								(2,354)
Loss for the period								(10,881)

#### Other Information

Segment assets								169,884
Segment liabilities								121,131
Capital expenditure								3,292

#### Other material non-cash items:

- Depreciation of property, plant and equipment and right-of-use assets								(6,045)
- Loss on disposal of property, plant and equipment and right-of-use assets								(1,266)
- Impairment loss on trade and other receivables								(543)
- Impairment loss on property, plant and equipment								-

	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 31 December 2024	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Total revenue from external customers	13,142	15,160	19,106	994	1,627	17,203	-	67,232
Inter-segment revenue	3,116	3,082	12,795	1,345	34	7,486	(27,858)	-
Total segment revenue	16,258	18,242	31,901	2,339	1,661	24,689	(27,858)	67,232

Other income								2,288
Finance costs								(2,220)
Segment results								4,573
Income tax expense								(2,457)
Profit for the period								2,116

#### Other Information

Segment assets								181,527
Segment liabilities								123,234
Capital expenditure								11,941

#### Other material non-cash items:

- Depreciation of property, plant and equipment and right-of-use assets								(4,434)
- Loss on disposal of property, plant and equipment								(110)
- Loss on disposal of assets held-for-sale								(43)
- Reversal of impairment loss on trade and other receivables								27
- Reversal of impairment loss on property, plant and equipment								2,317

#### 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			
12 Months ended 31 December 2025	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Total revenue from external customers	32,109	8,005	29,278	912	14,163	36,522	-	120,989
Inter-segment revenue	14,861	-	16,737	2,178	275	3,960	(38,011)	-
Total segment revenue	46,970	8,005	46,015	3,090	14,438	40,482	(38,011)	120,989

Other income								2,251
Finance costs								(4,109)
Segment results								(7,218)
Income tax expense								(2,366)
Loss for the year								(9,584)

#### Other Information

Segment assets								169,884
Segment liabilities								121,131
Capital expenditure								20,756

Other material non-cash items:

- Depreciation of property, plant and equipment and right-of-use assets								(11,640)
- Loss on disposal of property, plant and equipment and right-of-use assets								(1,235)
- Impairment loss on trade and other receivables								(543)
- Impairment loss on property, plant and equipment								-

	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			
12 Months ended 31 December 2024	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Total revenue from external customers	27,751	15,160	36,672	2,267	2,970	37,914	-	122,734
Inter-segment revenue	8,139	3,082	20,416	2,641	46	14,959	(49,283)	-
Total segment revenue	35,890	18,242	57,088	4,908	3,016	52,873	(49,283)	122,734

Other income								2,827
Finance costs								(4,116)
Segment results								5,017
Income tax expense								(2,473)
Profit for the year								2,544

#### Other Information

Segment assets								181,527
Segment liabilities								123,234
Capital expenditure								20,107

Other material non-cash items:

- Depreciation of property, plant and equipment and right-of-use assets								(8,796)
- Loss on disposal of property, plant and equipment								(154)
- Loss on disposal of assets held-for-sale								(43)
- Reversal of impairment loss on trade and other receivables								32
- Reversal of impairment loss on property, plant and equipment								2,317

#### 4. Segment information (Cont'd)

The Group's operations are mainly in the region of Africa, Hong Kong, Taiwan, Southeast Asia, Australasia (comprising mainly Australia, Marshall Islands and Papua New Guinea), Middle East, Europe and North America. 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, is all in Singapore.

	Group			
	6 Months Ended		12 Months Ended	
	31 December	31 December	31 December	31 December
	2025	2024	2025	2024
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Revenue</b>				
Africa	-	645	13,991	645
Australia	109	273	353	762
China	572	176	1,012	227
Hong Kong	421	5,964	866	6,262
Indonesia	460	3	3,546	146
Korea	609	-	2,268	438
Malaysia	7,066	10,032	15,420	19,623
Singapore	6,813	8,802	18,268	14,772
Taiwan	18,122	24,327	39,819	35,622
Thailand	2,771	6,957	4,477	10,489
Turkey	14,349	-	14,349	-
United Arab Emirates	673	2,015	2,332	13,938
United States of America	44	459	264	2,532
Europe	1,318	7,193	2,043	16,065
Vietnam	-	60	1,300	819
Others	589	326	681	394
	<u>53,916</u>	<u>67,232</u>	<u>120,989</u>	<u>122,734</u>

#### 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 31	As at 31	As at 31	As at 31
	December	December	December	December
	2025	2024	2025	2024
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Financial assets at amortised cost</b>				
Cash and cash equivalents	5,365	3,360	12	14
Trade and other receivables	20,096	43,411	30,130	23,383
	<u>25,461</u>	<u>46,771</u>	<u>30,142</u>	<u>23,397</u>
<b>Financial liabilities at amortised cost</b>				
Bank overdrafts	3,406	3,279	-	-
Loan and borrowings	60,280	54,352	30,708	24,747
Lease liabilities	11,274	15,079	-	-
Trade and other payables	30,375	26,051	364	413
	<u>105,335</u>	<u>98,761</u>	<u>31,072</u>	<u>25,160</u>

## 6. (Loss)/ Profit before tax

6.1 (Loss)/ Profit for the period is arrived at after charging/ (crediting) the following:

	Group					
	6 Months Ended		+ / (-) %	12 Months Ended		+ / (-) %
	1 July 2025 To 31 December 2025 S\$'000	1 July 2024 To 31 December 2024 S\$'000		1 January 2025 To 31 December 2025 S\$'000	1 January 2024 To 31 December 2024 S\$'000	
Interest income from bank deposits	(23)	(8)	>100	(37)	(66)	(44)
Miscellaneous income	59	(70)	N.M.	(123)	(75)	64
Gain on extinguishment of liabilities *	-	(118)	N.M.	-	(129)	N.M.
Insurance compensation income	(437)	(805)	(46)	(911)	(872)	4
Government grant income	(207)	(66)	>100	(564)	(170)	>100
Loss on disposal of property, plant and equipment, right-of-use assets and assets held-for-sale	1,266	153	>100	1,235	197	>100
Impairment loss recognised/ (reversed) on property, plant and equipment	-	(2,317)	N.M.	-	(2,317)	N.M.
Currency translation gain - net	(429)	(1,221)	(65)	(616)	(1,515)	(59)
Interest expense on loans & borrowings	2,210	2,220	N.M.	4,109	4,116	N.M.
Depreciation of property, plant and equipment and right-of-use assets	6,045	4,434	36	11,640	8,796	32
Impairment loss recognised/ (reversed) on trade and other receivables	543	(27)	N.M.	543	(32)	N.M.

N.M. – not meaningful

\*The gain arises from the extinguishment of long outstanding liabilities

## 6.2 Related party transactions

Please refer to paragraph 34 in this results announcement.

## 7. Tax expense

The major components of income tax expenses for the period/year ended 31 December 2025 and 31 December 2024 are:

	Group			
	6 Months Ended		12 Months Ended	
	31 December 2025 S\$'000	31 December 2024 S\$'000	31 December 2025 S\$'000	31 December 2024 S\$'000
<b>Current tax expense</b>				
Under/ (over) provision of current tax in respect of prior years	47	(87)	59	(71)
Current tax expense	935	1,505	935	1,332
<b>Deferred tax expense</b>				
Movement in temporary differences	1372	1,039	1,372	1,212
	<u>2,354</u>	<u>2,457</u>	<u>2,366</u>	<u>2,473</u>

## 8. Dividends

Group	2025 S\$'000	2024 S\$'000
Ordinary Dividend – Final*	-	-

\*No dividend has been recommended by the Group in respect of the financial year ended 31 December 2025 and 31 December 2024.

## 9. Net asset value

Net asset value (for the Group and Company) 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 year reported on; and (b) immediately preceding financial year:

	Group		Company	
	As at 31 December 2025	As at 31 December 2024	As at 31 December 2025	As at 31 December 2024
Net asset value per ordinary share (cents)	6.9	8.3	11.2	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

## 10. Property, plant and equipment

During the financial year ended 31 December 2025, the Group acquired property, plant and equipment amounting to S\$19.1 million (FY2024: S\$15.2 million) and disposed of property, plant and equipment amounting to S\$2.5 million (FY2024: S\$3.2 million).

## 11. Right-of-use assets

During the financial year ended 31 December 2025, the Group acquired right-of-use assets amounting to S\$1.7 million (FY2024: S\$4.9 million) and disposed right-of-use assets amounting to S\$5.6 million (FY2024: Nil).

## 12. Borrowings

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

	As at 31 December 2025 Secured S\$'000	As at 31 December 2024 Secured S\$'000
Bank overdraft	3,406	3,279
Loans and borrowings	41,705*	42,123#
Lease liabilities	4,557	3,801

Amount repayable after one (1) year

	As at 31 December 2025 Secured S\$'000	As at 31 December 2024 Secured S\$'000
Loans and borrowings	18,575	12,229
Lease liabilities	6,717	11,278

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

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

## 12. Borrowings (Cont'd)

### Details of any collateral as at 31 December 2025

The loans and borrowings are secured as follows:

- Property, plant and equipment amounting to S\$93.5 million (FY2024: S\$59.9 million) are pledged as collaterals for secured term loans, trust receipts and bank overdraft;
- 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\$43.1 million (FY2024: S\$44.5 million).

For the financial period ended 31 December 2025, the Group had breached loan covenants with three financial institutions. On 03 December 2025 and 26 December 2025, the Group had obtained waiver letters from these financial institutions for the covenant breaches.

## 13. Share capital

	The Group and the Company			
	31 December 2025		31 December 2024	
	Number of shares '000	Amount S\$'000	Number of shares '000	Amount S\$'000
At beginning of the year	704,932	74,409	705,442	74,409
Purchase of treasury shares	-	-	(510)	-
At end of the year	704,932	74,409	704,932	74,409

The Company's subsidiaries do not hold any shares in the Company as at 31 December 2025 and 31 December 2024.

## 14. Inventories

	Group	
	As at 31 December 2025 S\$'000	As at 31 December 2024 S\$'000
Finished goods (bunkers and materials), at cost	708	1,061
Vessels held for trading	12,830	13,923
Vessels under construction	4,218	2,645
Construction work-in-progress	6,797	3,719
Allowance for inventory obsolescence	(451)	(474)
	24,102	20,874

## 15. Trade and other receivables

	Group		Company	
	As at 31	As at 31	As at 31	As at 31
	December	December	December	December
	2025	2024	2025	2024
	S\$'000	S\$'000	S\$'000	S\$'000
Trade receivables	15,201	27,117	-	-
Allowance for impairment loss	(1,077)	(693)	-	-
<b>Net trade receivables</b>	<b>14,124</b>	<b>26,424</b>	-	-
Deposits	3,634	4,131	-	-
Deposits for purchase of property, plant & equipment	30	-	-	-
Amounts due from subsidiaries	-	-	30,130	23,383
Dividend receivable from a subsidiary	-	-	-	-
Other receivables	1,791	3,400	-	-
Advance payments to suppliers	517	9,456	-	-
<b>Financial assets at amortised cost</b>	<b>20,096</b>	<b>43,411</b>	<b>30,130</b>	<b>23,383</b>
Contract assets	6,460	6,417	-	-
GST receivables	205	206	3	3
Withholding tax	565	425	-	-
Prepayment	2,810	1,278	24	23
	<b>30,136</b>	<b>51,737</b>	<b>30,157</b>	<b>23,409</b>

## 16. Trade and other payables

	Group		Company	
	As at 31	As at 31	As at 31	As at 31
	December	December	December	December
	2025	2024	2025	2024
	S\$'000	S\$'000	S\$'000	S\$'000
Trade payables	16,680	12,159	197	267
Accrued operating expenses	10,159	10,650	167	146
Accrued capital expenditure	-	1,193	-	-
Other payables	215	159	-	-
Amount due to a director	2,072	1,386	-	-
Deposit received	1,249	504	-	-
<b>Financial liabilities at amortised cost</b>	<b>30,375</b>	<b>26,051</b>	<b>364</b>	<b>413</b>
Contract liabilities*	6,973	16,659	-	-
	<b>37,348</b>	<b>42,710</b>	<b>364</b>	<b>413</b>

\*Contract liabilities relate to advance billings and deposit received of S\$1.4 million and S\$5.6 million respectively (FY2024: advance billings of S\$15.9 million) billed to customers which will be transferred to revenue when the performance obligations are satisfied.

## 17. 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 LISTING RULE APPENDIX 7C**

- 18. 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		Amount	
	31 December 2025	31 December 2024	31 December 2025 (S\$'000)	31 December 2024 (S\$'000)
<b>Issued and fully paid ordinary shares</b>				
At beginning of the year	704,932,400	705,442,100	74,409	74,409
Purchase of treasury shares	-	(509,700)	-	-
At end of the year	704,932,400	704,932,400	74,409	74,409

During FY2025, the Company did not buy back any shares by way of market acquisition (FY2024: 509,700).

Treasury shares

The number of treasury shares held by the Company as at 31 December 2025 is 5,067,600 representing 0.72% of the total number of issued shares outstanding as at 31 December 2025 (FY2024: 5,067,600 representing 0.72% of the total number of issued shares outstanding as at 31 December 2024).

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

- 19. 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 31 December 2025	As at 31 December 2024
<b>Total issued shares (excluding treasury shares)</b>	704,932,400	704,932,400

- 20. 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 the financial year ended 31 December 2025, there were no sale, cancellation and/or use of treasury shares.

- 21. 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.

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

The condensed statement of financial position of Kim Heng Ltd and its subsidiaries as at 31 December 2025 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of change in equity and condensed consolidation of cash flows for the six months and 12 months then ended and certain explanatory notes have not been audited or reviewed.

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

Not applicable.

**23.1 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 the 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.

**24. 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 statements have 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 25 below.

**25. 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 annual 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.

**26. 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:**

**Earnings per share based on the weighted average number of ordinary shares on issue:**

Earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial period/year.

**27. 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		12 Months Ended	
	1 July 2025 to 31 December 2025	1 July 2024 to 31 December 2024	1 January 2025 to 31 December 2025	1 January 2024 to 31 December 2024
Net (loss)/profit attributable to equity holders of the Company (S\$'000)	(9,283)	1,312	(8,823)	270
Weighted average number of ordinary shares outstanding	704,932,400	704,932,400	704,932,400	704,956,991
Basic and fully diluted (loss)/earnings per share (cents per share)	(1.32)	0.19	(1.25)	0.04

The diluted and basic profit/(loss) per share are the same for each of 2H 2025, 2H 2024, FY 2025 and FY 2024 as the Company has no dilutive equity instruments as at 31 December 2025, 30 June 2025, 31 December 2024 and 30 June 2024.

**28. 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**

**2H 2025 vs 2H 2024 & FY 2025 vs FY 2024**

**Revenue**

**2H 2025 vs 2H 2024**

Revenue for 2H 2025 decreased by S\$13.3 million or 19.8%, from S\$67.2 million in 2H 2024 to S\$53.9 million in 2H 2025 mainly due to the following:

- a) decrease in revenue of S\$11.6 million in shipbuilding contract income as no new shipbuilding project secured and S\$2.0 million in provision for liquidated damages from shipbuilding contract due to delayed delivery;
- b) decrease in revenue of S\$8.1 million in trading in vessels due to delay in delivery of some of the vessels;
- c) decrease in revenue of S\$4.2 million in chartering and towage income due to dry docking of some vessels; and
- d) decrease in revenue of S\$0.6 million in equipment rental income due to lower equipment rental demand in the market.

The above decreases were partially offset by the following:

- a) increase in revenue of S\$7.4 million in sale of materials due to higher demand by customer; and
- b) increase in revenue of S\$5.8 million in marine offshore support services rendered due to arrival of client rigs to Singapore.

## **FY 2025 vs FY 2024**

Revenue decreased by S\$1.7 million or 1.4%, from S\$122.7 million in FY 2024 to S\$121.0 million in FY 2025. The decrease is attributed to:

- a) decrease in revenue of S\$1.4 million in trading in vessels due to delay in delivery of some of the vessels;
- b) decrease in revenue of S\$7.3 million in chartering income due to dry docking of some vessels during the year;
- c) decrease in revenue of S\$5.2 million in shipbuilding contract income as no new shipbuilding project secured and S\$2.0 million in provision for liquidated damages from shipbuilding contract due to delayed delivery; and
- d) decrease in revenue of S\$1.4 million in equipment rental income due to lower equipment rental demand.

The above decreases were partially offset by the following:

- (a) increase in revenue of S\$11.2 million in sale of materials during FY2025 due to higher demand by customer; and
- (b) increase in revenue of S\$4.4 million in marine offshore support services due to arrival of client rigs to Singapore.

## **Cost of sales, gross profit and gross profit margin**

### **2H 2025 vs 2H 2024**

Cost of sales for 2H 2024 decreased by S\$5.1 million or 9.9%, from S\$51.6 million in 2H 2024 to S\$46.5 million in 2H 2025 mainly due to the following:

- a) decrease in cost of sale of S\$7.8 million in trading in vessel due to delay in delivery of some of the vessels as at 2H2025;
- b) decrease in cost of sale of S\$9.8 million in shipbuilding contract as no new shipbuilding contract secured which resulted in lower shipbuilding cost; and
- c) decrease in cost of sale of S\$0.1 million in equipment rental as lower operational hours resulting in lesser repair and maintenance cost.

The above decreases were partially offset by the following:

- (a) increase in cost of sale of S\$7.1 million and S\$2.4 million in sale of materials and marine services respectively due to higher revenue that led to higher back to back cost of sale; and
- (b) Increase in cost of sale of S\$3.1 million in chartering and towage as there are higher cost incurred due to higher vessel operational movement during preparation for docking and after docking period.

Gross profit decreased by S\$8.2 million or 52.4%, from S\$15.6 million in 2H 2024 to S\$7.4million in 2H 2025 mainly due to gross loss from shipbuilding contract, chartering and equipment rental. Gross profit margin decreased from 23.2% in 2H 2024 to 13.8% in 2H 2025 mainly due to lower profit margin from sale of materials and gross loss from shipbuilding contract and equipment rental income.

### **FY 2025 vs FY 2024**

Cost of sales for FY 2025 increased by S\$6.7 million or 7.2%, from S\$ 91.7 million in FY 2024 to S\$98.4 million in FY 2025.

Gross profit decreased by S\$8.4 million or 27.0%, from S\$31.0 million in FY 2024 to S\$22.6 million in FY 2025. Gross profit margin decreased from 25.2% in FY 2024 to 18.7% in FY 2025. The decrease was mainly due to lower profit margin from sale of materials and gross loss from shipbuilding contract and equipment rental income.

## **Consolidated Statement of Comprehensive Income (Cont'd)**

### **Other income**

#### **2H 2025 vs 2H 2024**

Other income decreased by S\$1.3 million, from S\$2.3 million in 2H 2024 to S\$1.0 million in 2H 2025, mainly due to exchange gain lower by S\$ 0.8 million, insurance compensation lower by S\$0.4 million and the absence of trade payables written off in 2H2025, compared to S\$0.1 million in 2H2024.

#### **FY 2025 vs FY 2024**

Other income decreased by S\$0.5 million from S\$2.8 million in FY2024 to S\$2.3 million in FY2025 mainly due to the same reason as stated above.

### **Distribution expenses**

#### **2H 2025 vs 2H 2024**

Distribution expenses decreased by S\$0.4 million or 43.5%, from S\$0.9 million in 2H 2024 to S\$0.5 million in 2H 2025 mainly due to lower vessel brokerage, commission, advertisement and travelling expenses incurred in 2H 2025.

#### **FY 2025 vs FY 2024**

Distribution expenses decreased by S\$0.2 million or 10.5%, from S\$2.0 million in FY 2024 to S\$1.8 million in FY 2025 mainly due to lower vessel brokerage, commission, advertisement and travelling expenses incurred in FY 2025.

### **Administrative expenses**

#### **2H 2025 vs 2H 2024**

Administrative expenses decreased by S\$0.7 million or 6.9%, from S\$10.1 million in 2H 2024 to S\$9.4 million in 2H 2025 mainly due to lower staff costs, being partially offset by higher professional fees.

#### **FY 2025 vs FY 2024**

Administrative expenses decreased by S\$1.4 million or 6.8%, from S\$20.7 million in FY 2024 to S\$19.3 million in FY 2025 mainly due to lower staff costs.

### **Other operating expenses**

#### **2H 2025 vs 2H 2024**

Other operating expenses increased by S\$2.4 million or more than 100% from S\$2.4million in 2H 2024 to S\$4.8 million in 2H 2025 mainly due to provision for doubtful debts of S\$0.5 million, deposit forfeited on vessel purchase of S\$ 0.9 million and loss on disposal of property, plant and equipment and right-of-use assets of S\$ 1.2 million. The deposit forfeiture was due to partial purchase of 3 out of 8 planned vessels.

#### **FY 2025 vs FY 2024**

Other operating expenses increased by S\$2.6 million or 61.3% from S\$4.3 million in FY 2024 to S\$6.9 million in FY 2025 due to the same reason as stated above.

## **Consolidated Statement of Comprehensive Income (Cont'd)**

### **Finance costs**

#### **2H 2025 vs 2H 2024**

Finance costs remains relatively the same for 2H2024 and 2H2025 at S\$2.2 million.

#### **FY 2025 vs FY 2024**

Finance costs remains relatively the same for FY2024 and FY2025 at S\$4.1 million.

### **(Provision)/ reversal of impairment loss on property, plant and equipment**

#### **2H 2025 vs 2H 2024**

In 2H 2024, there was a reversal of impairment loss on property, plant and equipment amounting to S\$2.3 million as recoverable amounts of the assets are higher than net book value. In 2H 2025, there was no impairment loss recognised on property, plant and equipment.

#### **FY 2025 vs FY 2024**

In FY2024, there was a reversal of impairment loss on property plant and equipment of S\$2.3 million. In FY2025, there was an impairment loss of S\$0.3 million due to the same reason as stated in the 2H 2025 vs 2H2024 analysis above.

### **Income tax expense**

#### **2H 2025 vs 2H 2024**

Income tax expenses decreased by S\$0.1 million or 4.2% from S\$2.5 million in 2H 2024 to S\$2.4 million in 2H 2025 mainly due to lower provision of current year taxation offset partially by higher deferred tax liability movement.

#### **FY 2025 vs FY 2024**

Income tax expense decreased by S\$0.1 million or 4.3%, from S\$2.5 million in FY 2024 to S\$2.4 million in FY 2025 mainly due to the same reason as stated above.

### **Net (loss)/ profit after tax**

#### **2H 2025 vs 2H 2024**

As a result of the above, the Group recorded a net loss after tax of S\$10.9 million in 2H 2025 as compared to net profit of S\$2.1 million in 2H 2024.

#### **FY 2025 vs FY 2024**

As a result of the above, the Group recorded a net loss after tax of S\$9.6 million in FY 2025 as compared to net profit of S\$2.5 million in FY 2024.

### **EBITDA**

The Group EBITDA decreased from S\$17.9 million in FY 2024 to S\$8.5 million in FY 2025.

## **Consolidated Statement of Financial Position**

### **Non-current assets**

Non-current assets increased by S\$4.7 million from S\$105.6 million as at 31 December 2024 to S\$110.3 million as at 31 December 2025. This was mainly due to the following:

- (a) An increase in property, plant and equipment of S\$13.4 million, from S\$81.3 million as at 31 December 2024 to S\$94.7 million as at 31 December 2025. This was due to purchase of property, plant and equipment during the year, partially offset by depreciation and disposal; and
- (b) A decrease in right-of-use assets of S\$8.7 million, from S\$24.2 million as at 31 December 2024 to S\$15.5 million as at 31 December 2025. This was due to depreciation and disposals partially offset by acquisition of right-of-use assets during the year.

### **Current assets**

Current assets decreased by S\$15.4 million from S\$76.0 million as at 31 December 2024 to S\$60.6 million as at 31 December 2025. This decrease was mainly due to decrease in trade and other receivables partially offset by increase in inventories and cash and cash equivalents.

Trade and other receivables decreased by S\$21.6 million from S\$51.7 million as at 31 December 2024 to S\$30.1 million as at 31 December 2025, mainly due to collection of proceeds in January 2025 from the sale of vessel in end December 2024 of S\$14.0 million.

Receivable turnover days decreased from 82 days as at 31 December 2024 to 81 days as at 31 December 2025.

Inventories increased by S\$3.2 million from S\$20.9 million as at 31 December 2024 to S\$24.1 million as at 31 December 2025 mainly due to increase in construction work-in-progress inventory for cable lay barge equipment partially offset by utilisation of bunker and sale of vessels from inventories.

Cash and cash equivalents increased by S\$2.0 million from S\$3.4 million as at 31 December 2024 to S\$5.4 million as at 31 December 2025. Please refer to “Consolidated Statement of Cash Flows” for more details.

### **Working capital**

The Group reported a net loss before tax of S\$7.2 million (FY 2024: net profit S\$5.0 million) and total comprehensive loss of S\$9.5 million (FY 2024: income of S\$3.4 million) for FY2025. Excluding the revolving bank facility of S\$5.0 million that is renewable every 6 months, advance billing and deposit received from customers amounting to S\$7.0 million and advance paid to suppliers amounting to S\$0.5 million, the Group’s current liabilities have exceeded its current assets by S\$16.6 million. The Group has undrawn facilities from financial institutions and if required, has the ability to realise its property, plant and equipment and inventories to fund its financial obligations as and when required. Based on these factors and having regard to projected cash inflows from the Group’s operating activities for the financial year ending 31 December 2026, as at the date of these financial statements, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they fall due over the next twelve months.

### **Shareholders’ equity**

Shareholders’ equity amounted to S\$41.6 million and S\$50.7 million as at 31 December 2025 and 31 December 2024 respectively.

### **Non-controlling interests**

Non-controlling interests decreased by S\$0.4 million from S\$7.6 million as at 31 December 2024 to S\$7.2 million as at 31 December 2025.

## **Consolidated Statements of Financial Position (Cont'd)**

### **Non-current liabilities**

Non-current liabilities increased by S\$3.2 million from S\$30.3 million as at 31 December 2024 to S\$33.5 million as at 31 December 2025, mainly due to draw down of new loans and borrowings partially offset by the repayment of lease liabilities, loans and borrowings during the year.

### **Current liabilities**

Current liabilities decreased by S\$5.2 million, from S\$92.9 million as at 31 December 2024 to S\$87.7 million as at 31 December 2025. This was mainly due to decrease in loans and borrowings, trade and other payables and current tax payable, being partially offset by increase in lease liabilities.

Loans and borrowings decreased by S\$0.4 million, from S\$42.1 million as at 31 December 2024 to S\$41.7 million as at 31 December 2025. This was mainly due to repayment for loans and borrowings partially offset by new loans draw down.

Trade and other payables decreased by S\$5.3 million, from S\$42.7 million as at 31 December 2024 to S\$37.4 million as at 31 December 2025. This was mainly due to the decrease in accrued operating expenses and advance billing to customers, partially offset by deposits received from customers to revenue due to the completion of vessel sales.

Payable turnover days increased from 89 days as at 31 December 2024 to 94 days as at 31 December 2025 as the Group managed to obtain extended credit terms with some of the suppliers.

Current tax payable increased by S\$0.4 million, from S\$1.0 million as at 31 December 2024 to S\$0.6 million as at 31 December 2025. This was mainly due to tax provision of current year income tax partially offset by tax paid during the year.

Lease liabilities increased by S\$0.8 million, from S\$3.8 million as at 31 December 2024 to S\$4.6 million as at 31 December 2025. This was mainly due to extension of JTC lease for 9 Pandan Crescent temporarily until the full extension letter to be issued in 2026.

## **Consolidated Statement of Cash Flows**

### **FY 2025 vs FY 2024**

In FY 2025, net cash generated from operating activities before changes in working capital amounted to S\$10.3 million due to loss before income tax of S\$7.2 million, and adjustments mainly for depreciation of property, plant and equipment and right-of-use assets of S\$11.6 million, interest expense of S\$4.1 million, loss on disposal of property, plant and equipment of S\$1.2 million and impairment on trade and other receivables of S\$0.5 million. The overall net cash generated from operating activities after changes in working capital and income tax paid amounted to S\$18.3 million.

Net cash used in investing activities of S\$12.1 million in FY 2025 mainly due to purchase of property, plant and equipment partially offset by proceeds from disposal of property, plant and equipment and right-of-use assets.

Net cash used in financing activities of S\$4.2 million in FY 2025 mainly due to repayment of term loans, lease liabilities and interest payment which is partially offset by proceeds from term loans and trust receipts as well as loan from a director.

As a result of the above and after adjusting for the effect of exchange rate fluctuations, there was a net increase of S\$1.9 million in cash and cash equivalents (as adjusted for deposits pledged) in FY 2025.

**29. A breakdown of sales as follows:-**

	<b>Financial Year 2025 S\$'000</b>	<b>Financial Year 2024 S\$'000</b>	<b>% increase/ (decrease)</b>
	<b>Group</b>	<b>Group</b>	<b>Group</b>
Sales reported for first half year	67,073	55,502	21
Operating profit after tax before deducting non-controlling interests reported for first half year	1,297	428	>100
Sales reported for second half year	53,916	67,232	(20)
Operating profit after tax before deducting non-controlling interests reported for second half year	(9,956)	2,116	N.M.

*N.M. – not meaningful*

**30. 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 FY2025 are generally in line with the Company's profit guidance announcement dated 23 February 2026.

**31. 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 expects geotechnical survey business segment to grow and charter utilisation to remain stable for FY2026. Charter markets are benefiting from increase in offshore energy activities, growing demand for specialised vessels and marine construction projects, leading to improved utilisation rates and firmer charter rates. Long-term charter agreements also provide greater revenue stability for the Group while offering operational flexibility to charterers.

**32. 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 FY 2025.

**(b) Previous corresponding period**

No dividend has been declared or recommended for FY 2024.

**(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.

**33. 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 FY 2024 as the Group is in net current liabilities position. The Group intends to conserve cash for working capital and business expansion purposes.

**34. If the group has obtained a general mandate from shareholders for 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 FY2025 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 \$'000	Total value of the transaction \$'000
Interest expense to Mr Thomas Tan Keng Siong, who is the Executive Chairman, Chief Executive Officer and Controlling Shareholder of the Group *	150	-
Interest expense to Mr Thomas Tan Keng Siong, who is the Executive Chairman, Chief Executive Officer and Controlling Shareholder of the Group #	131	-

\*Please refer to the announcement dated 21 November 2025 for more details.

# This is for the S\$2 million temporary advance recorded in amounts due to Mr. Thomas Tan Keng Siong at the interest rate of 7.5% p.a..

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

During 2H 2025, the Company's wholly-owned subsidiary, Kim Heng Marine Labuan Limited was struck off on 25 September 2025. The strike off of Kim Heng Marine Labuan Limited does not have any material impact on the net tangible assets and loss per share of the Group for the current financial year ended 31 December 2025.

Save as disclosed below, there were no 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 FY 2025.

**36. Confirmation that the Issuer to 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.

**37. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

<b>Name</b>	<b>Age</b>	<b>Family relationship with any director and/or substantial shareholder</b>	<b>Current position and duties, and the year the position was first held</b>	<b>Details of changes in duties and position held, if any, during the year</b>
Tan Keng Hoe Melvin	63	Brother of Mr. Thomas Tan, CEO & Chairman	Chief Technical Officer  To oversee the engineering division of the Group.	Retired from Chief Technical Officer and appointed as consultant of the Group with effect from 31 December 2025.
Tan Peck Ling Jocelyn	43	Daughter of Mr. Thomas Tan, CEO & Chairman	Head of Corporate Services  Responsible for corporate services and strategic planning for the Group and overseeing the coordination and allocation of Group resources for the achievement of the Group's strategic objectives since September 2014.	N.A.
Tan Peck Ching Jeliane	41	Daughter of Mr. Thomas Tan, CEO & Chairman	Head of Supply Chain  Responsible for identifying and screening procurement suppliers, negotiating terms and conditions, standardizing business and procurement best practice processes since April 2006.	N.A.
Tan Wen Hao Justin Anderson	35	Son of Mr. Thomas Tan, CEO & Chairman	Group Deputy Chief Executive Officer  Responsible for overseeing the shipyard operations, its heavy equipment business, the marine and offshore vessel charter and operations and horizontal directional drilling.	N.A.

**On Behalf of the Board of Directors**

Thomas Tan Keng Siong  
Executive Chairman and CEO  
27 February 2026