

SIN HENG HEAVY MACHINERY LIMITED AND ITS SUBSIDIARIES

**Condensed Consolidated Financial Statements
For the six months and full year ended 31 December 2025**

Table of Contents

A. Condensed statement of profit or loss and other comprehensive income	1
B. Statements of financial position	2
C. Statements of changes in equity	3
D. Consolidated statement of cash flows	5
E. Notes to the condensed consolidated financial statements.....	7
F. Other information required by Listing Rule Appendix 7.2	17

SIN HENG HEAVY MACHINERY LIMITED AND ITS SUBSIDIARIES

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

	Note	Group			Group		
		6 months	6 months	Increase/ (Decrease)	12 months	12 months	Increase/ (Decrease)
		ended 31 Dec 2025 S\$'000	ended 31 Dec 2024 S\$'000		ended 31 Dec 2025 S\$'000	ended 31 Dec 2024 S\$'000	
Revenue	3	20,495	26,347	(22.2%)	44,098	50,281	(12.3%)
Cost of sales		(13,008)	(18,458)	(29.5%)	(29,381)	(33,562)	(12.5%)
Gross profit		7,487	7,889	(5.1%)	14,717	16,719	(12.0%)
Other operating income		863	979	(11.8%)	1,581	1,939	(18.5%)
Selling expenses		(164)	(161)	1.9%	(392)	(448)	(12.5%)
Administrative expenses		(4,742)	(5,169)	(8.3%)	(9,396)	(10,216)	(8.0%)
Other operating expenses		(169)	(126)	34.1%	(240)	(314)	(23.6%)
Finance costs		(123)	(92)	33.7%	(225)	(188)	19.7%
Profit before income tax	5	3,152	3,320	(5.1%)	6,045	7,492	(19.3%)
Income tax expense	4	(560)	(599)	(6.5%)	(938)	(1,225)	(23.4%)
Profit for the period		2,592	2,721	(4.7%)	5,107	6,267	(18.5%)
Profit attributable to:							
Owners of the Company		2,592	2,721	(4.7%)	5,107	6,267	(18.5%)
Non-controlling interests		-	-	-	-	-	-
		2,592	2,721	(4.7%)	5,107	6,267	(18.5%)
Earnings per share (cents):	13						
Basic		2.38	2.50	(4.8%)	4.70	5.75	(18.3%)
Diluted		2.38	2.50	(4.8%)	4.70	5.75	(18.3%)
Profit for the period		2,592	2,721	(4.7%)	5,107	6,267	(18.5%)
Other comprehensive income:							
<i>Item that may be reclassified subsequently to profit or loss</i>							
Exchange differences on translation of foreign operations		377	488	(22.7%)	135	538	(74.9%)
<i>Item that will not be reclassified subsequently to profit or loss</i>							
Fair value gain arising from financial assets at fair value through other comprehensive income (FVTOCI)		-	490	(100.0%)	-	490	(100.0%)
Total comprehensive income for the period		2,969	3,699	(19.7%)	5,242	7,295	(28.1%)
Total comprehensive income attributable to:							
Owners of the Company		2,969	3,699	(19.7%)	5,242	7,295	(28.1%)
Non-controlling interests		-	-	-	-	-	-
		2,969	3,699	(19.7%)	5,242	7,295	(28.1%)

NM: Not Meaningful

SIN HENG HEAVY MACHINERY LIMITED AND ITS SUBSIDIARIES

B. Statements of Financial Position

	Note	Group		Company	
		As at 31	As at 31	As at 31	As at 31
		Dec 2025	Dec 2024	Dec 2025	Dec 2024
		S\$'000	S\$'000	S\$'000	S\$'000
ASSETS					
Current assets					
Cash and bank balances		40,465	47,855	8,612	19,289
Trade receivables		11,428	13,813	12,114	14,668
Other receivables and prepayments		821	477	4,162	350
Lease receivables		-	-	56	80
Inventories		849	2,633	265	1,852
Derivative financial instruments		-	1	-	3
Income tax recoverable		84	-	-	-
Total current assets		53,647	64,779	25,209	36,242
Non-current assets					
Property, plant and equipment	6	58,070	55,022	46,655	43,192
Right-of-use assets	7	3,447	3,151	1,987	3,079
Investment property	8	3,050	-	-	-
Investment in subsidiaries		-	-	8,951	9,014
Financial assets at fair value through profit or loss (FVTPL)		424	265	424	265
Financial assets at fair value through other comprehensive income		1,190	1,190	1,190	1,190
Lease receivables		-	-	1,407	-
Other assets (FVTOCI)		1,296	1,296	10	10
Total non-current assets		67,477	60,924	60,624	56,750
Total Assets		121,124	125,703	85,833	92,992
LIABILITIES AND EQUITY					
Current liabilities					
Derivative financial instruments		103	-	103	-
Trade payables		1,059	875	9,416	8,443
Other payables		4,051	4,291	3,537	3,928
Lease liabilities	10	1,636	2,499	1,636	2,499
Income tax payable		640	693	-	50
Total current liabilities		7,489	8,358	14,692	14,920
Non-current liabilities					
Lease liabilities	10	4,865	3,308	4,865	3,308
Deferred tax liabilities		6,864	6,497	5,110	4,590
Total non-current liabilities		11,729	9,805	9,975	7,898
Capital and reserves					
Share capital	11	41,846	41,846	41,846	41,846
Retained earnings		71,821	77,590	21,440	30,448
Treasury shares	12	(2,810)	(2,810)	(2,810)	(2,810)
Translation reserves		(8,718)	(8,853)	-	-
Capital reserve		(923)	(923)	-	-
Fair value reserve		690	690	690	690
Total equity attributable to owners of the Company		101,906	107,540	61,166	70,174
Total Equity and Liabilities		121,124	125,703	85,833	92,992

SIN HENG HEAVY MACHINERY LIMITED AND ITS SUBSIDIARIES

C. Statements of Changes in Equity

<u>Group</u>	Share capital S\$'000	Treasury shares S\$'000	Translation reserves S\$'000	Capital reserve S\$'000	Fair value reserve S\$'000	Retained earnings S\$'000	Total equity S\$'000
2025							
Balance at 1 January 2025	41,846	(2,810)	(8,853)	(923)	690	77,590	107,540
<i>Total comprehensive income for the period</i>							
Profit for the period	-	-	-	-	-	2,515	2,515
Other comprehensive loss for the period	-	-	(242)	-	-	-	(242)
<i>Transactions with owners, recognised directly in equity</i>							
Dividends paid	-	-	-	-	-	(5,438)	(5,438)
Balance at 30 June 2025	41,846	(2,810)	(9,095)	(923)	690	74,667	104,375
Balance at 1 July 2025	41,846	(2,810)	(9,095)	(923)	690	74,667	104,375
<i>Total comprehensive income for the period</i>							
Profit for the period	-	-	-	-	-	2,592	2,592
Other comprehensive income for the period	-	-	377	-	-	-	377
<i>Transaction with owners, recognised directly in equity</i>							
Dividends paid	-	-	-	-	-	(5,438)	(5,438)
Balance at 31 December 2025	41,846	(2,810)	(8,718)	(923)	690	71,821	101,906
2024							
Balance at 1 January 2024	41,846	(2,338)	(9,391)	(923)	200	76,809	106,203
<i>Total comprehensive income for the period</i>							
Profit for the period	-	-	-	-	-	3,546	3,546
Other comprehensive income for the period	-	-	50	-	-	-	50
<i>Transactions with owners, recognised directly in equity</i>							
Repurchase of shares	-	(472)	-	-	-	-	(472)
Dividends paid	-	-	-	-	-	(5,486)	(5,486)
Balance at 30 June 2024	41,846	(2,810)	(9,341)	(923)	200	74,869	103,841
Balance at 1 July 2024	41,846	(2,810)	(9,341)	(923)	200	74,869	103,841
<i>Total comprehensive income for the period</i>							
Profit for the period	-	-	-	-	-	2,721	2,721
Other comprehensive income for the period	-	-	488	-	490	-	978
Balance at 31 December 2024	41,846	(2,810)	(8,853)	(923)	690	77,590	107,540

SIN HENG HEAVY MACHINERY LIMITED AND ITS SUBSIDIARIES

C. Statements of Changes in Equity (cont'd)

<u>Company</u>	Share capital S\$'000	Treasury shares S\$'000	Fair value reserve S\$'000	Retained earnings S\$'000	Total equity S\$'000
2025					
Balance at 1 January 2025	41,846	(2,810)	690	30,448	70,174
Profit for the period, representing total comprehensive income for the period	-	-	-	1,000	1,000
<i>Transactions with owners, recognised directly in equity</i>					
Dividends paid	-	-	-	(5,438)	(5,438)
Balance at 30 June 2025	<u>41,846</u>	<u>(2,810)</u>	<u>690</u>	<u>26,010</u>	<u>65,736</u>
Balance at 1 July 2025	41,846	(2,810)	690	26,010	65,736
Profit for the period, representing total comprehensive income for the period	-	-	-	868	868
<i>Transactions with owners, recognised directly in equity</i>					
Dividends paid	-	-	-	(5,438)	(5,438)
Balance at 31 December 2025	<u>41,846</u>	<u>(2,810)</u>	<u>690</u>	<u>21,440</u>	<u>61,166</u>
2024					
Balance at 1 January 2024	41,846	(2,338)	200	33,270	72,978
Profit for the period, representing total comprehensive income for the period	-	-	-	2,218	2,218
<i>Transactions with owners, recognised directly in equity</i>					
Repurchase of shares	-	(472)	-	-	(472)
Dividends paid	-	-	-	(5,486)	(5,486)
Balance at 30 June 2024	<u>41,846</u>	<u>(2,810)</u>	<u>200</u>	<u>30,002</u>	<u>69,238</u>
Balance at 1 July 2024	41,846	(2,810)	200	30,002	69,238
<i>Total comprehensive income for the period</i>					
Profit for the period	-	-	-	446	446
Other comprehensive income for the period	-	-	490	-	490
Balance at 31 December 2024	<u>41,846</u>	<u>(2,810)</u>	<u>690</u>	<u>30,448</u>	<u>70,174</u>

SIN HENG HEAVY MACHINERY LIMITED AND ITS SUBSIDIARIES

D. Consolidated Statement of Cash Flows

	Group	
	12 months ended 31 Dec 2025 S\$'000	12 months ended 31 Dec 2024 S\$'000
Cash flows from operating activities		
Profit before income tax	6,045	7,492
Adjustments for:		
Depreciation of property, plant and equipment	5,755	6,016
Depreciation of right-of-use assets	180	181
Depreciation of investment property	30	-
Impairment loss/(Reversal of impairment loss) on financial assets	25	(1)
Interest expense	225	188
Interest income	(916)	(1,316)
Net unrealised foreign exchange gain	(203)	(22)
Bad non-trade debts written off	-	39
Property, plant and equipment written off	2	43
Gain on disposal of property, plant and equipment	(121)	(327)
Fair value changes arising on financial assets designated as FVTPL	(159)	76
Fair value changes on derivative financial instruments	104	(3)
Operating cash flows before movements in working capital	10,967	12,366
Trade receivables	2,331	(2,091)
Other receivables and prepayments	(346)	768
Inventories	4,118	4,915
Trade payables	184	(169)
Other payables	(241)	(400)
Cash generated from operations	17,013	15,389
Income tax paid	(680)	(1,215)
Purchase of property, plant and equipment	(11,094)	(2,270)
Net cash from operating activities	5,239	11,904
Cash flows from investing activities		
Interest received	916	1,316
Purchase of property, plant and equipment	(80)	(447)
Purchase of investment property	(3,080)	-
Purchase of golf club memberships	-	(1,286)
Proceeds from disposal of property, plant and equipment	197	351
Proceeds from disposal of financial assets designated as FVTPL	-	8
Bank fixed deposits (Note A)	(9,437)	(19,135)
Net cash used in investing activities	(11,484)	(19,193)
Cash flows from financing activities		
Interest paid	(225)	(188)
Proceeds from hire purchase facilities	3,500	-
Repayment of lease liabilities	(3,277)	(2,913)
Purchase of treasury shares	-	(472)
Dividends paid	(10,876)	(5,486)
Net cash used in financing activities	(10,878)	(9,059)
Net decrease in cash and cash equivalents	(17,123)	(16,348)
Cash and cash equivalents at beginning of year	28,720	44,638
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies	297	430
Cash and cash equivalents at end of year	11,894	28,720

SIN HENG HEAVY MACHINERY LIMITED AND ITS SUBSIDIARIES

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

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

	Group	
	12 months ended 31 Dec 2025	12 months ended 31 Dec 2024
	S\$'000	S\$'000
Cash at banks and on hand	11,894	16,870
Bank fixed deposits	28,571	30,985
Cash and bank balances	40,465	47,855
Less: Bank fixed deposits with maturity of more than 3 months to 1 year	(28,571)	(19,135)
Cash and cash equivalents presented in the statement of cash flows	11,894	28,720

SIN HENG HEAVY MACHINERY LIMITED AND ITS SUBSIDIARIES

E. Notes to the Condensed Consolidated Financial Statements

1. Corporate Information

Sin Heng Heavy Machinery Limited (the "Company") is incorporated and domiciled in Singapore and whose shares are publicly traded on the Mainboard of the Singapore Exchange. These condensed consolidated financial statements as at and for the six months ended 31 December 2025 comprise the Company and its subsidiaries (collectively, the "Group").

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

2. Basis of Preparation

2.1. Statement of compliance

The condensed interim financial statements for the six months ended 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 the performance of the Group since the last interim financial statements for the period ended 30 June 2025.

The Group has applied accounting policies and methods of computation in the financial statements for the current reporting period consistent with those of the audited financial statements for the year ended 31 December 2024.

In the current financial period, the Group has adopted all the new and revised SFRS(I) that are relevant to its operations and effective for annual periods beginning on 1 January 2025. The Group did not have to change its accounting policy or make retrospective adjustments as a result of adopting these standards.

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

2.2. Basis of measurement

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

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

2.3. Uses of estimates and judgements

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

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2024.

SIN HENG HEAVY MACHINERY LIMITED AND ITS SUBSIDIARIES

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

2. Basis of Preparation (cont'd)

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

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

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

- (b) Key sources of estimation uncertainty

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

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

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

Allowance for inventories

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

Allowance for trade receivables

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

3. Segment and Revenue Information

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

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

The Group's reportable operating segments are as follows:

- Equipment Rental – Rental of equipment
- Trading – Sale of equipment
- Others – These refer to investment activities

SIN HENG HEAVY MACHINERY LIMITED AND ITS SUBSIDIARIES

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

3. Segment and Revenue Information (cont'd)

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

3.1. Reportable segment

	Group			
	Equipment	Trading	Others	Total
	Rental			
6 months ended 31 December 2025				
Segment revenue	17,329	3,166	-	20,495
Segment profit	6,443	1,044	-	7,487
Selling expenses	(143)	(21)	-	(164)
Other operating income				863
Administrative expenses				(4,742)
Other operating expenses				(169)
Finance costs	(115)	(8)	-	(123)
Profit before tax				3,152
Income tax expenses				(560)
Profit for the period				2,592
Other information				
Capital expenditure	(2,765)	(67)	-	(2,832)
Depreciation expense	(2,885)	(141)	(30)	(3,056)
Impairment loss on financial assets	(15)	-	-	(15)
Property, plant and equipment written off	(2)	-	-	(2)
Gain on disposal of property, plant and equipment	89	-	-	89
6 months ended 31 December 2024				
Segment revenue	14,521	11,826	-	26,347
Segment profit	5,194	2,695	-	7,889
Selling expenses	(81)	(80)	-	(161)
Other operating income				979
Administrative expenses				(5,169)
Other operating expenses				(126)
Finance costs	(90)	(2)	-	(92)
Profit before tax				3,320
Income tax expenses				(599)
Profit for the period				2,721
Other information				
Capital expenditure	(670)	-	-	(670)
Depreciation expense	(2,879)	(194)	-	(3,073)
Reversal of impairment loss on financial assets	1	-	-	1
Bad non-trade debts written off	(39)	-	-	(39)
Property, plant and equipment written off	(43)	-	-	(43)
Gain on disposal of property, plant and equipment	252	-	-	252

SIN HENG HEAVY MACHINERY LIMITED AND ITS SUBSIDIARIES

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

3. Segment and Revenue Information (cont'd)

3.1. Reportable segments (cont'd)

	Group			
	Equipment	Trading	Others	Total
	Rental			
12 months ended 31 December 2025				
Segment revenue	31,407	12,691	-	44,098
Segment profit	11,276	3,441	-	14,717
Selling expenses	(279)	(113)	-	(392)
Other operating income				1,581
Administrative expenses				(9,396)
Other operating expenses				(240)
Finance costs	(216)	(9)	-	(225)
Profit before tax				6,045
Income tax expenses				(938)
Profit for the period				5,107
Other information				
Capital expenditure	(11,107)	(67)	(3,080)	(14,254)
Depreciation expense	(5,608)	(327)	(30)	(5,965)
Impairment loss on financial assets	(25)	-	-	(25)
Property, plant and equipment written off	(2)	-	-	(2)
Gain on disposal of property, plant and equipment	121	-	-	121
12 months ended 31 December 2024				
Segment revenue	30,311	19,970	-	50,281
Segment profit	11,258	5,461	-	16,719
Selling expenses	(270)	(178)	-	(448)
Other operating income				1,939
Administrative expenses				(10,216)
Other operating expenses				(314)
Finance costs	(184)	(4)	-	(188)
Profit before tax				7,492
Income tax expenses				(1,225)
Profit for the period				6,267
Other information				
Capital expenditure	(2,561)	(156)	-	(2,717)
Depreciation expense	(5,823)	(374)	-	(6,197)
Reversal of impairment loss on financial assets	1	-	-	1
Bad non-trade debts written off	(39)	-	-	(39)
Property, plant and equipment written off	(43)	-	-	(43)
Gain on disposal of property, plant and equipment	327	-	-	327

SIN HENG HEAVY MACHINERY LIMITED AND ITS SUBSIDIARIES

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

3. Segment and Revenue Information (cont'd)

3.2. Segment assets and liabilities

	Group			
	Equipment Rental	Trading	Others	Total
	S\$'000	S\$'000	S\$'000	S\$'000
<u>As at 31 December 2025</u>				
Segment assets	61,798	11,996	3,143	76,937
Unallocated corporate assets				44,187
Total assets				121,124
Segment liabilities	5,830	1,730	17	7,577
Unallocated corporate liabilities				11,641
Total liabilities				19,218
<u>As at 31 December 2024</u>				
Segment assets	56,755	17,864	48	74,667
Unallocated corporate assets				51,036
Total assets				125,703
Segment liabilities	5,099	1,583	-	6,682
Unallocated corporate liabilities				11,481
Total liabilities				18,163

3.3. Disaggregation of revenue

	Group			
	Equipment Rental	Trading	Others	Total
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Geographical information</u>				
6 months ended 31 December 2025				
Singapore	17,329	1,832	-	19,161
Malaysia	-	658	-	658
India	-	185	-	185
United Arab Emirates	-	200	-	200
Dubai	-	108	-	108
Vietnam	-	96	-	96
Taiwan	-	87	-	87
Total revenue	17,329	3,166	-	20,495
6 months ended 31 December 2024				
Singapore	14,521	3,465	-	17,986
Indonesia	-	5,990	-	5,990
Malaysia	-	751	-	751
Philippines	-	52	-	52
Taiwan	-	1,413	-	1,413
Others	-	155	-	155
Total revenue	14,521	11,826	-	26,347

SIN HENG HEAVY MACHINERY LIMITED AND ITS SUBSIDIARIES

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

3. Segment and Revenue Information (cont'd)

3.3. Disaggregation of revenue (cont'd)

	Group			
	Equipment Rental	Trading	Others	Total
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Geographical information</u>				
12 months ended 31 December 2025				
Singapore	31,407	8,147	-	39,554
Indonesia	-	1,530	-	1,530
Malaysia	-	1,050	-	1,050
Taiwan	-	787	-	787
Brunei	-	425	-	425
India	-	310	-	310
United Arab Emirates	-	200	-	200
Dubai	-	108	-	108
Vietnam	-	96	-	96
Others	-	38	-	38
Total revenue	31,407	12,691	-	44,098
12 months ended 31 December 2024				
Singapore	30,311	6,184	-	36,495
Indonesia	-	8,363	-	8,363
Malaysia	-	1,430	-	1,430
Philippines	-	1,247	-	1,247
Brunei	-	660	-	660
Taiwan	-	1,603	-	1,603
Others	-	483	-	483
Total revenue	30,311	19,970	-	50,281

3.4. Seasonal operation

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

3.5. Major customers information

There was one customer which contributed more than 10 percent to the revenue of the Group (2024: One).

3.6. Breakdown of sales

	Group		
	FY2025	FY2024	Increase/ (Decrease)
	S\$'000	S\$'000	
(a) Revenue report for first half year	23,603	23,934	(1.4%)
(b) Operating profit after tax before deducting non-controlling interest reported for first half year	2,515	3,546	(29.1%)
(c) Revenue report for second half year	20,495	26,347	(22.2%)
(d) Operating profit after tax before deducting non-controlling interest reported for second half year	2,592	2,721	(4.7%)

SIN HENG HEAVY MACHINERY LIMITED AND ITS SUBSIDIARIES

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

4. Income Tax Expense

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

	Group			
	6 months ended 31 Dec 2025	6 months ended 31 Dec 2024	12 months ended 31 Dec 2025	12 months ended 31 Dec 2024
	S\$'000	S\$'000	S\$'000	S\$'000
Income tax expense				
- current period	(202)	35	(734)	(591)
- overprovision in prior year	35	-	189	-
Deferred tax expense				
- current period	(323)	(634)	(323)	(634)
- underprovision in prior year	(70)	-	(70)	-
	(560)	(599)	(938)	(1,225)

5. Profit Before Income Tax

	Group			
	6 months ended 31 Dec 2025	6 months ended 31 Dec 2024	12 months ended 31 Dec 2025	12 months ended 31 Dec 2024
	S\$'000	S\$'000	S\$'000	S\$'000
Profit for the year has been arrived at after charging/(crediting):				
Depreciation of property, plant and equipment	2,937	2,983	5,755	6,016
Depreciation of right-of-use assets	89	90	180	181
Depreciation of investment property	30	-	30	-
Impairment loss/(Reversal of impairment loss) on financial assets	15	(1)	25	(1)
Interest expense	123	92	225	188
Interest income	(439)	(601)	(916)	(1,316)
Currency exchange (gain)/loss - net	(77)	77	(237)	43
Bad non-trade debts written off	-	39	-	39
Property, plant and equipment written off	2	43	2	43
Gain on disposal of property, plant and equipment	(89)	(252)	(121)	(327)
Fair value changes on derivative financial instruments	104	(54)	104	(3)
Fair value changes arising on financial assets designated as FVTPL	(153)	(1)	(159)	76

6. Property, Plant and Equipment

During the financial year, the Group acquired property, plant and equipment (including inventories that were purchased and transferred to property, plant and equipment in the current period) amounting to S\$11.2 million (2024: S\$2.7 million) and disposed of assets amounting to S\$76,000 (2024: S\$24,000).

SIN HENG HEAVY MACHINERY LIMITED AND ITS SUBSIDIARIES

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

7. Right-of-Use Assets

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

8. Investment Property

The Group's investment property is carried at cost less accumulated depreciation and impairment losses. The Group has considered that there are no impairment indicators on the investment property as at 31 December 2025.

9. Financial Instruments

	Group		Company	
	As at 31 Dec 2025 S\$'000	As at 31 Dec 2024 S\$'000	As at 31 Dec 2025 S\$'000	As at 31 Dec 2024 S\$'000
Financial assets				
Financial assets at amortised cost	52,365	61,800	26,146	34,183
Financial assets measured at FVTPL	424	265	424	265
Financial assets measured at FVTOCI	1,190	1,190	1,190	1,190
Derivative financial instruments	-	1	-	3
	53,979	63,256	27,760	35,641
Financial liabilities				
Financial liabilities at amortised cost	4,406	4,831	12,299	12,120
Lease liabilities	6,501	5,807	6,501	5,807
Derivative financial instruments	103	-	103	-
	11,010	10,638	18,903	17,927

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

Financial assets measured at FVTOCI is classified under Level 3 fair value measurements where the fair value is determined based on net tangible assets of the underlying investments, which considered the most recent transacted prices of the underlying investments in the funds which approximate fair values.

SIN HENG HEAVY MACHINERY LIMITED AND ITS SUBSIDIARIES

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

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

	Group		Company	
	As at 31 Dec 2025 S\$'000	As at 31 Dec 2024 S\$'000	As at 31 Dec 2025 S\$'000	As at 31 Dec 2024 S\$'000
<u>Amount repayable within one year or on demand</u>				
Secured	1,636	2,499	1,636	2,499
Unsecured	-	-	-	-
<u>Amount repayable after one year</u>				
Secured	4,865	3,308	4,865	3,308
Unsecured	-	-	-	-

As at 31 December 2025, the Group's lease liabilities of S\$6.5 million (2024 : S\$5.8 million) were secured over the Group's right-of-use assets and certain plant and equipment with carrying values of S\$3.1 million (2024 : S\$3.2 million) and S\$9.0 million (2024 : S\$10.3 million), respectively.

11. Share Capital

	Number of shares	
	As at 31 Dec 2025	As at 31 Dec 2024
Total number of issued ordinary shares	114,888,980	114,888,980
Less: Treasury shares	(6,138,480)	(6,138,480)
Total number of issued ordinary shares (excluding treasury shares)	108,750,500	108,750,500

As at 31 December 2025, there are 6,138,480 (31 December 2024 : 6,138,480) shares held as treasury shares against the total number of issued shares excluding treasury shares of 108,750,500 (31 December 2024 : 108,750,500).

There were no outstanding convertibles as at 31 December 2025 and 31 December 2024.

12. Treasury Shares

	Number of shares	
	2025	2024
At beginning of the year	6,138,480	5,165,480
Repurchase of shares	-	973,000
At end of the year	6,138,480	6,138,480

As at 31 December 2025, the number of treasury shares represented 5.3% (31 December 2024 : 5.3%) of the total number of issued shares.

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

SIN HENG HEAVY MACHINERY LIMITED AND ITS SUBSIDIARIES

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

13. Earnings Per Share

	Group			
	6 months ended 31 Dec 2025	6 months ended 31 Dec 2024	12 months ended 31 Dec 2025	12 months ended 31 Dec 2024
EPS based on weighted average number of ordinary shares on issue (cents)	2.38	2.50	4.70	5.75
On a fully diluted basis (cents)	2.38	2.50	4.70	5.75
Weighted average number of ordinary shares in issue ('000)	108,751	108,751	108,751	109,075

There were no potential dilutive ordinary shares in existence for the periods from 1 January 2025 to 31 December 2025 and 1 January 2024 to 31 December 2024.

14. Net Asset Value Per Share

	Group		Company	
	As at 31 Dec 2025	As at 31 Dec 2024	As at 31 Dec 2025	As at 31 Dec 2024
Net asset value per ordinary share (cents)	93.71	98.89	56.24	64.53
Ordinary shares at the end of the current financial period and immediately preceding financial year ('000)	108,751	108,751	108,751	108,751

15. Dividends

	Group and Company	
	As at 31 Dec 2025	As at 31 Dec 2024
	S\$'000	S\$'000
<u>Total annual dividend:</u>		
(a) Interim exempt (one-tier) for FY2025: 5 cents (FY2024: Nil)	5,438	-
(b) Final exempt (one-tier) for FY2025: 5 cents (FY2024: 5 cents)	5,438	5,438
(c) Total	10,876	5,438

The Directors of the Company recommend that a tax-exempt one-tier final dividend and special dividend of 5.0 cents (2024: 5.0 cents) per ordinary share, totalling S\$5,438,000 (2024: S\$5,438,000) be proposed in respect of the financial year ended 31 December 2025. The proposed dividends are subject to approval by Shareholders at the forthcoming Annual General Meeting and hence the proposed dividends have not been accrued as a liability as at the end of the reporting period.

16. Subsequent Events

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

**Other Information Required by Listing Rule
Appendix 7.2**

SIN HENG HEAVY MACHINERY LIMITED AND ITS SUBSIDIARIES

OTHER INFORMATION

1. Review

The consolidated statement of financial position of Sin Heng Heavy Machinery Limited and its subsidiaries as at 31 December 2025 and the related consolidated profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited nor reviewed.

2. Review of performance of the Group

INCOME STATEMENT

Revenue

	Group			Group		
	6 months			Year to date		
	2H FY2025	2H FY2024	% Change	12M FY2025	12M FY2024	% Change
	S\$'000	S\$'000		S\$'000	S\$'000	
Equipment Rental business	17,329	14,521	19.3%	31,407	30,311	3.6%
Trading business	3,166	11,826	(73.2%)	12,691	19,970	(36.4%)
Total	20,495	26,347	(22.2%)	44,098	50,281	(12.3%)

The Group registered a total revenue of S\$20.5 million in 2H FY2025, which was 22.2% lower than 2H FY2024. Total revenue of S\$44.1 million for 12M FY2025 was 12.3% lower as compared to 12M FY2024. The decrease was mainly due to lower revenue generated from Trading business.

Revenue from Equipment Rental business increased by 19.3% to S\$17.3 million in 2H FY2025 and increased by 3.6% to S\$31.4 million in 12M FY2025 as compared to the corresponding periods in FY2024 respectively. The increase was mainly due to the increased level of activities in Singapore's operations.

Revenue from Trading business decreased by 73.2% to S\$3.2 million in 2H FY2025 and decreased by 36.4% to S\$12.7 million in 12M FY2025 as compared to the corresponding periods in FY2024 respectively. The overall decrease was mainly due to the decrease in the number of equipment sold during the periods.

Gross Profit

	Group			Group		
	6 months			Year to date		
	2H FY2025	2H FY2024	% Change	12M FY2025	12M FY2024	% Change
	S\$'000	S\$'000		S\$'000	S\$'000	
Equipment Rental business	6,443	5,194	24.0%	11,276	11,258	0.2%
Trading business	1,044	2,695	(61.3%)	3,441	5,461	(37.0%)
Total	7,487	7,889	(5.1%)	14,717	16,719	(12.0%)

The Group registered a total gross profit of S\$7.5 million in 2H FY2025 which was 5.1% lower than 2H FY2024. Total gross profit for 12M FY2025 was S\$14.7 million and 12.0% lower as compared to 12M FY2024 mainly due to reduced contribution from the Group's Trading business. Gross profit margin for both business segments have slightly decreased from FY2024 to FY2025.

The Group registered a gross profit of S\$6.4 million from Equipment Rental business in 2H FY2025 which was 24.0% higher than 2H FY2024. The gross profit for 12M FY2025 was S\$11.3 million and 0.2% higher as compared to 12M FY2024. The increase in FY2025 was mainly attributed to the improved contribution as the result of different product mix offered to customers.

SIN HENG HEAVY MACHINERY LIMITED AND ITS SUBSIDIARIES

OTHER INFORMATION

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

INCOME STATEMENT (cont'd)

Gross Profit (cont'd)

The Group registered a gross profit of S\$1.0 million from Trading business in 2H FY2025 which was 61.3% lower than 2H FY2024. The gross profit for 12M FY2025 was S\$3.4 million and 37.0% lower as compared to 12M FY2024. The decrease was in tandem with the decreased in trading revenue.

Other Operating Income

Other operating income decreased by S\$0.1 million and S\$0.4 million in 2H FY2025 and 12M FY2025 respectively as compared to the corresponding periods in FY2024 respectively. The overall decrease for 12M FY2025 was mainly due to the lower interest income and lower gain on disposal of property, plant and equipment in the current year.

Selling Expenses

Selling expenses remained constant in 2H FY2025 but decreased by S\$0.1 million in 12M FY2025 as compared to the corresponding periods in FY2024 respectively. The decrease in 12M FY2025 was mainly due to lower entertainment and travelling expenses.

Administrative Expenses

Administrative expenses decreased by S\$0.4 million and S\$0.8 million in 2H FY2025 and 12M FY2025 respectively as compared to the corresponding periods in FY2024 respectively. The decrease was mainly due to decrease in staff related expenses and miscellaneous expenses.

Other Operating Expenses

Other operating expenses remained constant in 2H FY2025 but decreased by S\$0.1 million in 12M FY2025 as compared to the corresponding periods in FY2024 respectively. The decrease was mainly due to lower property, plant and equipment written off and no bad debts were written off.

Finance Costs

Finance costs remained constant in both 2H FY2025 and 12M FY2025 respectively as compared to the corresponding periods in FY2024 respectively.

Income Tax Expense

The Group recorded an income tax expense in 12M FY2025, mainly due to provision of current tax expenses for 12M FY2025.

SIN HENG HEAVY MACHINERY LIMITED AND ITS SUBSIDIARIES

OTHER INFORMATION

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

STATEMENT OF FINANCIAL POSITION

Current Assets

As at 31 December 2025, current assets amounted to S\$53.6 million or 44.3% of total assets. Current assets mainly comprise of cash and bank balances, trade and other receivables and inventories. Total current assets decreased by S\$11.1 million as compared to 31 December 2024 mainly due to decrease in cash and bank balances, trade receivables and inventories, which was partially offset by increase in other receivables.

Non-Current Assets

As at 31 December 2025, non-current assets amounted to S\$67.5 million or 55.7% of total assets. Non-current assets mainly comprise of property, plant and equipment, right-of-use assets and investment property. Total non-current assets increased by S\$6.6 million as compared to 31 December 2024 mainly due to addition of property, plant and equipment and purchase of investment property, which was partially offset by depreciation of property, plant and equipment and right-of-use assets.

Current Liabilities

As at 31 December 2025, current liabilities amounted to S\$7.5 million or 39.0% of total liabilities. Current liabilities mainly comprise of trade and other payables and current portion of lease liabilities. Total current liabilities decreased by S\$0.9 million as compared to 31 December 2024, mainly due to decrease in other payables, lease liabilities and income tax payable.

Non-Current Liabilities

As at 31 December 2025, non-current liabilities amounted to S\$11.7 million or 61.0% of total liabilities. Non-current liabilities comprise of the non-current portion of lease liabilities and deferred tax liabilities. Total non-current liabilities increased by S\$1.9 million as compared to 31 December 2024, mainly due to increase in hire purchase facilities.

Working Capital

As at 31 December 2025, the Group registered a positive working capital of S\$46.1 million as compared to that of S\$56.4 million as at 31 December 2024.

Equity

As at 31 December 2025, the Group's total equity stood at S\$101.9 million. Total equity decreased by S\$5.6 million as compared to 31 December 2024, mainly due to dividend payment, which was partially offset by profit for the year.

SIN HENG HEAVY MACHINERY LIMITED AND ITS SUBSIDIARIES

OTHER INFORMATION

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

STATEMENT OF CASH FLOWS

The Group's net cash generated from operating activities in 12M FY2025 was S\$5.2 million. This comprised positive operating cash flows before changes in working capital of S\$11.0 million, increase in net working capital flow of S\$6.0 million, and offset by purchase of property, plant and equipment for rental use of S\$11.1 million and income tax paid of S\$0.7 million.

Net cash used in investing activities was S\$11.4 million in 12M FY2025. This was mainly due to the placement of fixed deposits with maturity of more than 3 months of S\$9.4 million, purchase of investment property of S\$3.1 million and property, plant and equipment of S\$0.1 million, and partially offset by the interest received of S\$1.0 million and proceeds from disposal of property, plant and equipment of S\$0.2 million.

Net cash used in financing activities was S\$10.9 million in 12M FY2025. This was mainly due to the dividend paid of S\$10.9 million, repayment of lease liabilities of S\$3.3 million and interest expenses of S\$0.2 million, and partially offset by proceeds from hire purchase facility of S\$3.5 million.

After taking into consideration of the above movements, cash and cash equivalents in the statement of cash flows decreased by S\$17.1 million to S\$11.9 million as at 31 December 2025.

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

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

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

According to the media released by Building and Construction Authority ("BCA") dated 22 January 2026, the projected construction demand is estimated to be between S\$47 billion and S\$53 billion in nominal terms and between S\$43 billion and S\$46 billion in real terms. This demand will be supported by the major infrastructure and development projects such as Changi Airport Terminal 5, Marina Bay Sands Integrated Resort expansion, new hospitals, and MRT line extensions, alongside continued housing and institutional developments. ⁽¹⁾

While we are cautiously optimistic about the outlook of Singapore's construction market, the broader landscape remains challenging. Geopolitical tensions, interest rate volatility, and fluctuating exchange rates continue to create uncertainty. To navigate this, the Group is prioritising disciplined cash management while exploring new growth opportunities that align with our long-term strategic goal.

(1) <https://www1.bca.gov.sg/about-us/news-and-publications/media-releases/2026/01/22/steady-construction-demand-in-2026-as-singapore-steps-up-support-for-built-environment-firms-through-collaboration-and-innovation>

SIN HENG HEAVY MACHINERY LIMITED AND ITS SUBSIDIARIES

OTHER INFORMATION

5. Dividend information

(a) Current Financial Period Reported on

Name of Dividend:	Interim (Special)
Dividend Type:	Cash
Dividend per Share:	5.0 cents per ordinary share
Tax Rate:	Tax exempt (one-Tier)
Date Paid:	29 August 2025

Name of Dividend:	Proposed Special	Proposed Final
Dividend Type:	Cash	Cash
Dividend per Share:	4.0 cents per ordinary share	1.0 cents per ordinary share
Tax Rate:	Tax exempt (one-Tier)	Tax exempt (one-Tier)

The Directors are pleased to proposed a tax exempt one-tier cash dividend of 5.0 cents per ordinary share, comprises of special dividend of 4.0 cents per ordinary share and final dividend of 1.0 cents per ordinary share. Both the special and final dividends are subject to shareholders' approval at the forthcoming Annual General Meeting of the Company.

(b) Corresponding Period of the Immediate Preceding Financial Year

Name of Dividend:	Special	Final
Dividend Type:	Cash	Cash
Dividend per Share:	4.0 cents per ordinary share	1.0 cents per ordinary share
Tax Rate:	Tax exempt (one-Tier)	Tax exempt (one-Tier)
Date Paid:	26 May 2025	26 May 2025

(c) Date Payable

To be announced later.

(d) Book Closure Date

To be announced later.

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

Pursuant to Rule 706A of the Listing Manual of the SGX-ST, the Group wishes to announce its changes in interest in its subsidiaries for the financial period from 1 July 2025 to 31 December 2025 as follows:

Incorporation of a Subsidiary

Name of Company: SH Growth One Sdn Bhd
Date of Incorporation: 12 December 2025
Country of Incorporation: Malaysia
Share Capital: Issued and paid-up share capital of RM1,000
Principal Activity: Other holding companies
Company's Shareholding Interest: 100%

The incorporation of SH Growth One Sdn Bhd has no material impact on the consolidated net tangible assets per share and consolidated earnings per share of the Group for the current financial year ended 31 December 2025.

SIN HENG HEAVY MACHINERY LIMITED AND ITS SUBSIDIARIES

OTHER INFORMATION

7. Interested person transactions

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

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

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

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

9. Disclosure of persons occupying managerial positions who are related to a director, CEO or substantial shareholder

Name	Age	Family relationship with any Director and/or substantial shareholder	Current position and duties, and the year the position was held	Details in changes in duties and position held, if any, during the year
Tan Cheng Soon, Don	58	Son of Executive Director & CEO Mr Tan Ah Lye, and brother of Executive Directors Mr Tan Cheng Guan and Mr Tan Cheng Kwong (Cheng Qingguang)	Director of Operations in charge of the Singapore rental division (with effect from 01/07/2016) Director of SH Equipment Pte. Ltd. (with effect from 14/03/2012) Director of SH Equipment (Myanmar) Co. Ltd. (with effect from 25/10/2012) Director of Sin Heng Aerial Lifts Pte. Ltd. (with effect from 29/11/1994) Director of Sin Heng Vina Company Limited (with effect from 19/05/2009)	n/a

BY ORDER OF THE BOARD

Tan Ah Lye
Executive Director and CEO
27 February 2026