

SIN HENG HEAVY MACHINERY LIMITED AND ITS SUBSIDIARIES

**Condensed Consolidated Financial Statements
For the six months and full year ended 31 December 2024**

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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 2024 S\$'000	ended 31 Dec 2023 S\$'000		ended 31 Dec 2024 S\$'000	ended 31 Dec 2023 S\$'000	
Revenue	3	26,347	31,494	(16.3%)	50,281	66,230	(24.1%)
Cost of sales		(18,458)	(22,196)	(16.8%)	(33,562)	(47,798)	(29.8%)
Gross profit		7,889	9,298	(15.2%)	16,719	18,432	(9.3%)
Other operating income		979	1,949	(49.8%)	1,939	2,979	(34.9%)
Selling expenses		(161)	(174)	(7.5%)	(448)	(396)	13.1%
Administrative expenses		(5,169)	(5,382)	(4.0%)	(10,216)	(10,473)	(2.5%)
Other operating expenses		(126)	(226)	(44.2%)	(314)	(585)	(46.3%)
Finance costs		(92)	(99)	(7.1%)	(188)	(183)	2.7%
Profit before income tax	5	3,320	5,366	(38.1%)	7,492	9,774	(23.3%)
Income tax expense	4	(599)	(683)	(12.3%)	(1,225)	(1,779)	(31.1%)
Profit for the period		2,721	4,683	(41.9%)	6,267	7,995	(21.6%)
Profit attributable to:							
Owners of the Company		2,721	4,683	(41.9%)	6,267	7,995	(21.6%)
Non-controlling interests		-	-	-	-	-	-
		2,721	4,683	(41.9%)	6,267	7,995	(21.6%)
Earnings per share (cents):	12						
Basic		2.50	4.20	(40.5%)	5.75	7.12	(19.2%)
Diluted		2.50	4.20	(40.5%)	5.75	7.12	(19.2%)
Profit for the period		2,721	4,683	(41.9%)	6,267	7,995	(21.6%)
Other comprehensive income/(loss):							
<i>Item that may be reclassified subsequently to profit or loss</i>							
Exchange differences on translation of foreign operations		488	(333)	(246.5%)	538	(1,016)	(153.0%)
<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	200	145.0%	490	200	145.0%
Total comprehensive income for the period		3,699	4,550	(18.7%)	7,295	7,179	1.6%
Total comprehensive income attributable to:							
Owners of the Company		3,699	4,550	(18.7%)	7,295	7,179	1.6%
Non-controlling interests		-	-	-	-	-	-
		3,699	4,550	(18.7%)	7,295	7,179	1.6%

NM: Not Meaningful

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B. Statements of Financial Position

	Note	Group		Company	
		As at 31	As at 31	As at 31	As at 31
		Dec 2024	Dec 2023	Dec 2024	Dec 2023
		S\$'000	S\$'000	S\$'000	S\$'000
ASSETS					
Current assets					
Cash and bank balances		47,855	44,638	19,289	22,310
Trade receivables		13,813	11,735	14,668	12,469
Other receivables and prepayments		477	1,238	350	2,223
Lease receivables		-	-	80	176
Inventories		2,633	3,990	1,852	2,572
Derivative financial instruments		1	-	3	-
Total current assets		64,779	61,601	36,242	39,750
Non-current assets					
Property, plant and equipment	6	55,022	61,838	43,192	48,440
Right-of-use assets	7	3,151	3,332	3,079	3,173
Investment in subsidiaries		-	-	9,014	10,357
Financial assets at fair value through profit or loss (FVTPL)		265	349	265	349
Financial assets at fair value through other comprehensive income		1,190	700	1,190	700
Other assets		1,296	10	10	10
Total non-current assets		60,924	66,229	56,750	63,029
Total Assets		125,703	127,830	92,992	102,779
LIABILITIES AND EQUITY					
Current liabilities					
Derivative financial instruments		-	2	-	2
Trade payables		875	1,044	8,443	12,045
Other payables		4,291	4,689	3,928	4,463
Lease liabilities	9	2,499	2,914	2,499	2,914
Income tax payable		693	1,308	50	421
Total current liabilities		8,358	9,957	14,920	19,845
Non-current liabilities					
Lease liabilities	9	3,308	5,806	3,308	5,806
Deferred tax liabilities		6,497	5,864	4,590	4,150
Total non-current liabilities		9,805	11,670	7,898	9,956
Capital and reserves					
Share capital	10	41,846	41,846	41,846	41,846
Retained earnings		77,590	76,809	30,448	33,270
Treasury shares	11	(2,810)	(2,338)	(2,810)	(2,338)
Translation reserves		(8,853)	(9,391)	-	-
Capital reserve		(923)	(923)	-	-
Fair value reserve		690	200	690	200
Total equity attributable to owners of the Company		107,540	106,203	70,174	72,978
Total Equity and Liabilities		125,703	127,830	92,992	102,779

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C. Statements of Changes in Equity

Group	Share capital S\$'000	Treasury shares S\$'000	Translation reserves S\$'000	Capital reserve S\$'000	Fair value reserve S\$'000	Retained earnings S\$'000	Total equity S\$'000
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
2023							
Balance at 1 January 2023	41,846	(591)	(8,375)	(923)	-	72,783	104,740
<i>Total comprehensive income for the period</i>							
Profit for the period	-	-	-	-	-	3,312	3,312
Other comprehensive loss for the period	-	-	(683)	-	-	-	(683)
<i>Transactions with owners, recognised directly in equity</i>							
Repurchase of shares	-	(253)	-	-	-	-	(253)
Dividends paid	-	-	-	-	-	(3,969)	(3,969)
Balance at 30 June 2023	41,846	(844)	(9,058)	(923)	-	72,126	103,147
Balance at 1 July 2023	41,846	(844)	(9,058)	(923)	-	72,126	103,147
<i>Total comprehensive income for the period</i>							
Profit for the period	-	-	-	-	-	4,683	4,683
Other comprehensive (loss)/income for the period	-	-	(333)	-	200	-	(133)
<i>Transaction with owners, recognised directly in equity</i>							
Repurchase of shares	-	(1,494)	-	-	-	-	(1,494)
Balance at 31 December 2023	41,846	(2,338)	(9,391)	(923)	200	76,809	106,203

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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
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>
2023					
Balance at 1 January 2023	41,846	(591)	-	34,502	75,757
Profit for the period, representing total comprehensive income for the period	-	-	-	928	928
<i>Transactions with owners, recognised directly in equity</i>					
Repurchase of shares	-	(253)	-	-	(253)
Dividends paid	-	-	-	(3,969)	(3,969)
Balance at 30 June 2023	<u>41,846</u>	<u>(844)</u>	<u>-</u>	<u>31,461</u>	<u>72,463</u>
Balance at 1 July 2023	41,846	(844)	-	31,461	72,463
<i>Total comprehensive income for the period</i>					
Profit for the period	-	-	-	1,809	1,809
Other comprehensive income for the period	-	-	200	-	200
<i>Transaction with owners, recognised directly in equity</i>					
Repurchase of shares	-	(1,494)	-	-	(1,494)
Balance at 31 December 2023	<u>41,846</u>	<u>(2,338)</u>	<u>200</u>	<u>33,270</u>	<u>72,978</u>

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D. Consolidated Statement of Cash Flows

	Group	
	12 months ended 31 Dec 2024 S\$'000	12 months ended 31 Dec 2023 S\$'000
Cash flows from operating activities		
Profit before income tax	7,492	9,774
Adjustments for:		
Depreciation of property, plant and equipment	6,016	6,452
Depreciation of right-of-use assets	181	272
(Reversal of impairment loss)/Impairment loss on financial assets	(1)	201
Interest expense	188	183
Interest income	(1,316)	(1,120)
Net unrealised foreign exchange gain	(22)	(12)
Bad debts written off	-	86
Bad non-trade debts written off	39	-
Property, plant and equipment written off	43	90
Gain on disposal of property, plant and equipment	(327)	(1,291)
Fair value changes on derivative financial instruments	(3)	(136)
Fair value changes arising on financial assets designated as FVTPL	76	81
Operating cash flows before movements in working capital	12,366	14,580
Trade receivables	(2,091)	(2,753)
Other receivables and prepayments	768	876
Inventories	4,915	15,157
Trade payables	(169)	57
Other payables	(400)	1,658
Cash generated from operations	15,389	29,575
Income tax paid	(1,215)	(1,335)
Purchase of property, plant and equipment	(2,270)	(17,518)
Net cash from operating activities	11,904	10,722
Cash flows from investing activities		
Interest received	1,316	1,120
Purchase of property, plant and equipment	(447)	(5,580)
Purchase of financial assets designated as FVTOCI	-	(500)
Purchase of golf club memberships	(1,286)	-
Proceeds from disposal of property, plant and equipment	351	5,849
Proceeds from disposal of financial assets designated as FVTPL	8	1,800
Bank fixed deposits with maturity of more than 3 months (Note 1)	(19,135)	-
Net cash (used in)/from investing activities	(19,193)	2,689
Cash flows from financing activities		
Bills payable	-	(1,135)
Interest paid	(188)	(183)
Proceeds from hire purchase facilities	-	3,328
Repayment of lease liabilities	(2,913)	(2,878)
Purchase of treasury shares	(472)	(1,747)
Dividends paid	(5,486)	(3,969)
Net cash used in financing activities	(9,059)	(6,584)
Net (decrease)/increase in cash and cash equivalents	(16,348)	6,827
Cash and cash equivalents at beginning of year	44,638	38,051
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies	430	(240)
Cash and cash equivalents at end of year	28,720	44,638

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

Note 1: For the purpose of the condensed interim statement of cash flows, cash and cash equivalents comprised:

	Group	
	12 months ended 31 Dec 2024	12 months ended 31 Dec 2023
	S\$'000	S\$'000
Cash at banks and on hand	16,870	9,632
Bank fixed deposits	30,985	35,006
	47,855	44,638
Less: Bank fixed deposits with maturity of more than 3 months	(19,135)	-
Cash and cash equivalents presented in the statement of cash flows	28,720	44,638

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 2024 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 2024 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 2024.

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 2023.

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 2024. 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 2023.

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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:

- Segment 1: Equipment Rental
- Segment 2: Trading

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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 segments

	Group		
	Equipment Rental S\$'000	Trading S\$'000	Total S\$'000
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
6 months ended 31 December 2023			
Segment revenue	15,474	16,020	31,494
Segment profit	5,270	4,028	9,298
Selling expenses	(86)	(88)	(174)
Other operating income			1,949
Administrative expenses			(5,382)
Other operating expenses			(226)
Finance costs	(95)	(4)	(99)
Profit before tax			5,366
Income tax expenses			(683)
Profit for the period			4,683
Other information			
Capital expenditure	(12,277)	-	(12,277)
Depreciation expense	(3,092)	(189)	(3,281)
Impairment loss on financial assets	(177)	-	(177)
Property, plant and equipment written off	(24)	-	(24)
Gain on disposal of property, plant and equipment	921	-	921

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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 Rental S\$'000	Trading S\$'000	Total S\$'000
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
12 months ended 31 December 2023			
Segment revenue	30,712	35,518	66,230
Segment profit	9,963	8,469	18,432
Selling expenses	(184)	(212)	(396)
Other operating income			2,979
Administrative expenses			(10,473)
Other operating expenses			(585)
Finance costs	(175)	(8)	(183)
Profit before tax			9,774
Income tax expenses			(1,779)
Profit for the period			7,995
Other information			
Capital expenditure	(22,987)	(111)	(23,098)
Depreciation expense	(6,332)	(392)	(6,724)
Impairment loss on financial assets	(201)	-	(201)
Bad debts written off	(86)	-	(86)
Property, plant and equipment written off	(90)	-	(90)
Gain on disposal of property, plant and equipment	1,291	-	1,291

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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 S\$'000	Trading S\$'000	Total S\$'000
2024			
Segment assets	56,755	17,864	74,619
Unallocated corporate assets			51,084
Total assets			125,703
Segment liabilities	5,099	1,583	6,682
Unallocated corporate liabilities			11,481
Total liabilities			18,163
2023			
Segment assets	64,186	16,709	80,895
Unallocated corporate assets			46,935
Total assets			127,830
Segment liabilities	8,084	1,680	9,764
Unallocated corporate liabilities			11,863
Total liabilities			21,627

3.3. Disaggregation of revenue

	Group		
	Equipment Rental S\$'000	Trading S\$'000	Total S\$'000
<u>Geographical information</u>			
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
6 months ended 31 December 2023			
Singapore	15,000	5,954	20,954
Indonesia	-	6,670	6,670
Malaysia	474	845	1,319
Taiwan	-	1,380	1,380
Japan	-	1,085	1,085
Others	-	86	86
Total revenue	15,474	16,020	31,494

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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 S\$'000	Trading S\$'000	Total S\$'000
<u>Geographical information</u>			
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	<u>30,311</u>	<u>19,970</u>	<u>50,281</u>
12 months ended 31 December 2023			
Singapore	28,852	13,189	42,041
Indonesia	-	10,968	10,968
Malaysia	1,860	1,744	3,604
Taiwan	-	6,913	6,913
Japan	-	2,588	2,588
Others	-	116	116
Total revenue	<u>30,712</u>	<u>35,518</u>	<u>66,230</u>

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 (2023: Two).

3.6. Breakdown of sales

	Group		
	FY2024 S\$'000	FY2023 S\$'000	Increase/ (Decrease)
(a) Revenue report for first half year	23,934	34,736	(31.1%)
(b) Operating profit after tax before deducting non-controlling interest reported for first half year	3,546	3,312	7.1%
(c) Revenue report for second half year	26,347	31,494	(16.3%)
(d) Operating profit after tax before deducting non-controlling interest reported for second half year	2,721	4,683	(41.9%)

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	6 months	12 months	12 months
	ended 31	ended 31 Dec	ended 31	ended 31 Dec
	Dec 2024	2023	Dec 2024	2023
	S\$'000	S\$'000	S\$'000	S\$'000
Current income tax benefit/(expense)	35	(1,688)	(591)	(2,784)
Deferred income tax expense relating to origination and reversal of temporary differences	(634)	1,005	(634)	1,005
	(599)	(683)	(1,225)	(1,779)

5. Profit Before Income Tax

	Group			
	6 months	6 months	12 months	12 months
	ended 31	ended 31 Dec	ended 31	ended 31 Dec
	Dec 2024	2023	Dec 2024	2023
	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	2,983	3,145	6,016	6,452
Depreciation of right-of-use assets	90	136	181	272
(Reversal of impairment loss)/Impairment loss on financial assets	(1)	177	(1)	201
Interest expense	92	99	188	183
Interest income	(601)	(604)	(1,316)	(1,120)
Currency exchange loss/(gain) - net	77	(194)	43	(264)
Bad debts written off	-	86	-	86
Bad non-trade debts written off	39	-	39	-
Property, plant and equipment written off	43	24	43	90
Gain on disposal of property, plant and equipment	(252)	(921)	(327)	(1,291)
Fair value changes on derivative financial instruments	(54)	(174)	(3)	(136)
Fair value changes arising on financial assets designated as FVTPL	(1)	5	76	81

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\$2.7 million (2023: S\$23.1 million) and disposed of assets amounting to S\$24,000 (2023: S\$4.6 million).

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. Financial Instruments

	Group		Company	
	As at 31 Dec 2024	As at 31 Dec 2023	As at 31 Dec 2024	As at 31 Dec 2023
	S\$'000	S\$'000	S\$'000	S\$'000
Financial assets				
Financial assets at amortised cost	61,800	57,129	34,183	36,986
Financial assets measured at FVTPL	265	349	265	349
Financial assets measured at FVTOCI	1,190	700	1,190	700
Derivative financial instruments	1	-	3	-
	63,256	58,178	35,641	38,035
Financial liabilities				
Financial liabilities at amortised cost	4,831	5,733	12,120	16,508
Lease liabilities	5,807	8,720	5,807	8,720
Derivative financial instruments	-	2	-	2
	10,638	14,455	17,927	25,230

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.

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

	Group		Company	
	As at 31 Dec 2024	As at 31 Dec 2023	As at 31 Dec 2024	As at 31 Dec 2023
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Amount repayable within one year or on demand</u>				
Secured	2,499	2,914	2,499	2,914
Unsecured	-	-	-	-
<u>Amount repayable after one year</u>				
Secured	3,308	5,806	3,308	5,806
Unsecured	-	-	-	-

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

SIN HENG HEAVY MACHINERY LIMITED AND ITS SUBSIDIARIES

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

10. Share Capital

	Number of shares	
	As at 31 Dec 2024	As at 31 Dec 2023
Total number of issued ordinary shares	114,888,980	114,888,980
Less: Treasury shares	(6,138,480)	(5,165,480)
Total number of issued ordinary shares (excluding treasury shares)	108,750,500	109,723,500

As at 31 December 2024, there are 6,138,480 (31 December 2023 : 5,165,480) shares held as treasury shares against the total number of issued shares excluding treasury shares of 108,750,500 (31 December 2023 : 109,723,500).

There were no outstanding convertibles as at 31 December 2024 and 31 December 2023.

11. Treasury Shares

	Number of shares	
	2024	2023
At beginning of the year	5,165,480	1,475,980
Repurchase of shares	973,000	3,689,500
At end of the year	6,138,480	5,165,480

As at 31 December 2024, the number of treasury shares represented 5.3% (31 December 2023 : 4.5%) 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.

12. Earnings Per Share

	Group			
	6 months ended 31 Dec 2024	6 months ended 31 Dec 2023	12 months ended 31 Dec 2024	12 months ended 31 Dec 2023
EPS based on weighted average number of ordinary shares on issue (cents)	2.50	4.20	5.75	7.12
On a fully diluted basis (cents)	2.50	4.20	5.75	7.12
Weighted average number of ordinary shares in issue ('000)	108,751	111,251	109,075	112,232

There were no potential dilutive ordinary shares in existence for the periods from 1 January 2024 to 31 December 2024 and 1 January 2023 to 31 December 2023.

SIN HENG HEAVY MACHINERY LIMITED AND ITS SUBSIDIARIES

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

13. Net Asset Value Per Share

	Group		Company	
	As at 31 Dec 2024	As at 31 Dec 2023	As at 31 Dec 2024	As at 31 Dec 2023
Net asset value per ordinary share (cents)	98.89	96.79	64.53	66.51
Ordinary shares at the end of the current financial period and immediately preceding financial year ('000)	108,751	109,724	108,751	109,724

14. Dividends

	Group and Company	
	As at 31 Dec 2024	As at 31 Dec 2023
	S\$'000	S\$'000
<u>Total annual dividend:</u>		
(a) Ordinary	5,438	5,486
(b) Preference	-	-
(c) Total	5,438	5,486

The Directors of the Company recommend that a tax-exempt one-tier first and final dividend and special dividend of 5.0 cents (2023: 5.0 cents) per ordinary share, totalling S\$5,438,000 (2023: S\$5,486,000) be proposed in respect of the financial year ended 31 December 2024. 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.

15. 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 2024 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 FY2024	2H FY2023	% Change	12M FY2024	12M FY2023	% Change
	S\$'000	S\$'000		S\$'000	S\$'000	
Equipment Rental business	14,521	15,474	(6.2%)	30,311	30,712	(1.3%)
Trading business	11,826	16,020	(26.2%)	19,970	35,518	(43.8%)
Total	26,347	31,494	(16.3%)	50,281	66,230	(24.1%)

The Group registered a total revenue of S\$26.3 million in 2H FY2024, which was 16.3% lower than 2H FY2023. Total revenue of S\$50.3 million for 12M FY2024 was 24.1% lower as compared to 12M FY2023. The decrease was mainly due to lower revenue generated from Trading business.

Revenue from Equipment Rental business decreased by 6.2% to S\$14.5 million in 2H FY2024 and decreased by 1.3% to S\$30.3 million in 12M FY2024 as compared to the corresponding periods in FY2023 respectively. The decrease was mainly due to the reduced level of activities in Malaysia's operations.

Revenue from Trading business decreased by 26.2% to S\$11.8 million in 2H FY2024 and decreased by 43.8% to S\$20.0 million in 12M FY2024 as compared to the corresponding periods in FY2023 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 FY2024	2H FY2023	% Change	12M FY2024	12M FY2023	% Change
	S\$'000	S\$'000		S\$'000	S\$'000	
Equipment Rental business	5,194	5,270	(1.4%)	11,258	9,963	13.0%
Trading business	2,695	4,028	(33.1%)	5,461	8,469	(35.5%)
Total	7,889	9,298	(15.2%)	16,719	18,432	(9.3%)

The Group registered a total gross profit of S\$7.9 million in 2H FY2024 which was 15.2% lower than 2H FY2023. Total gross profit for 12M FY2024 was S\$16.7 million and 9.3% lower as compared to 12M FY2023 mainly due to reduced contribution from the Group's Trading business but the gross profit margin for both business segments have steadily increased from FY2023 to FY2024.

The Group registered a gross profit of S\$5.2 million from Equipment Rental business in 2H FY2024 which was 1.4% lower than 2H FY2023. The gross profit for 12M FY2024 was S\$11.3 million and 13.0% higher as compared to 12M FY2023. The increase in FY2024 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\$2.7 million from Trading business in 2H FY2024 which was 33.1% lower than 2H FY2023. The gross profit for 12M FY2024 was S\$5.5 million and 35.5% lower as compared to 12M FY2023. The decrease was in tandem with the decreased in trading revenue.

Other Operating Income

Other operating income decreased by S\$1.0 million in both 2H FY2024 and 12M FY2024 respectively as compared to the corresponding prior periods in FY2023 respectively. The overall decrease for 12M FY2024 was mainly due to the lower gain on disposal of property, plant and equipment in the current year.

Selling Expenses

Selling expenses remained constant in 2H FY2024 but increased by S\$0.1 million in 12M FY2024 as compared to the corresponding prior periods in FY2023 respectively. The increase in 12M FY2024 was mainly due to sales commission.

Administrative Expenses

Administrative expenses decreased by S\$0.2 million and S\$0.3 million in 2H FY2024 and 12M FY2024 respectively as compared to the corresponding prior periods in FY2023 respectively. The decrease was mainly due to decrease in directors and staff related expenses and lower professional fees.

Other Operating Expenses

Other operating expenses decreased by S\$0.1 million and S\$0.3 million in 2H FY2024 and 12M FY2024 respectively as compared to the corresponding period periods in FY2023 respectively. The decrease was mainly due to lower bad debts written off and provisions, and lower property, plant and equipment written off.

Finance Costs

Finance costs remained constant in both 2H FY2024 and 12M FY2024 respectively as compared to the corresponding prior periods in FY2023 respectively.

Income Tax Expense

The Group recorded an income tax expense in 12M FY2024, mainly due to provision of current tax expenses for 12M FY2024.

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 2024, current assets amounted to S\$64.8 million or 51.5% of total assets. Current assets mainly comprise of cash and bank balances, trade and other receivables and inventories. Total current assets increased by S\$3.2 million as compared to 31 December 2023 mainly due to increase in cash and bank balances and trade receivables, which was partially offset by decrease in other receivables and inventories.

Non-Current Assets

As at 31 December 2024, non-current assets amounted to S\$60.9 million or 48.5% of total assets. Non-current assets mainly comprise of property, plant and equipment and right-of-use assets. Total non-current assets decreased by S\$5.3 million as compared to 31 December 2023 mainly due to depreciation of property, plant and equipment and right-of-use assets, partially offset by fair value gain in financial assets at fair value through other comprehensive income and an investment in other assets.

Current Liabilities

As at 31 December 2024, current liabilities amounted to S\$8.4 million or 46.0% of total liabilities. Current liabilities mainly comprise of trade and other payables and current portion of lease liabilities. Total current liabilities decreased by S\$1.6 million as compared to 31 December 2023, mainly due to decrease in other payables, lease liabilities and income tax payable.

Non-Current Liabilities

As at 31 December 2024, non-current liabilities amounted to S\$9.8 million or 54.0% of total liabilities. Non-current liabilities comprise of the non-current portion of lease liabilities and deferred tax liabilities. Total non-current liabilities decreased by S\$1.9 million as compared to 31 December 2023, mainly due to repayment of lease liabilities.

Working Capital

As at 31 December 2024, the Group registered a positive working capital of S\$56.4 million as compared to that of S\$51.6 million as at 31 December 2023.

Equity

As at 31 December 2024, the Group's total equity stood at S\$107.5 million. Total equity increased by S\$1.3 million as compared to 31 December 2023, mainly due to profit for the year and fair value gain on financial assets at FVTOCI, partially offset by dividend payment and share buyback.

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 FY2024 was S\$11.9 million. This comprised positive operating cash flows before changes in working capital of S\$12.4 million, increase in net working capital flow of S\$3.0 million, and offset by purchase of property, plant and equipment for rental use of S\$2.3 million and income tax paid of S\$1.2 million.

Net cash used in investing activities was S\$19.2 million in 12M FY2024. This was mainly due to the placement of fixed deposits with maturity of more than 3 months of S\$19.1 million, purchase of golf club memberships of S\$1.3 million and property, plant and equipment of S\$0.5 million, and partially offset by the interest received of S\$1.3 million and proceeds from disposal of property, plant and equipment of S\$0.4 million.

Net cash used in financing activities was S\$9.1 million in 12M FY2024. This was mainly due to the dividend paid of S\$5.5 million, repayment of lease liabilities of S\$2.9 million, purchase of treasury shares of S\$0.5 million and interest expenses of S\$0.2 million.

After taking into consideration of the above movements, cash and cash equivalents decreased by S\$15.9 million to S\$28.7 million as at 31 December 2024.

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 23 January 2025, the projected construction demand is estimated to be between S\$47 billion and S\$53 billion in nominal terms and between S\$35 billion and S\$39 billion in real terms. This demand is supported by the anticipated awarding of contracts for major construction and infrastructure developments, including Changi Airport Terminal 5 (T5), expansion of the Marina Bay Sands Integrated Resort, Cross Island Line construction, Thomson-East Coast Line Extension, as well as other infrastructure works for the Woodlands Checkpoint extension and the Tuas Port. ⁽¹⁾

In view of the abovementioned, the Group remains cautiously optimistic of the market conditions in the construction sector in Singapore. However, the business environment remains challenging and uncertain due to the geopolitical tensions, volatile interest rate and foreign exchange environment.

The Group will continue to maintain a prudent cash management strategy while it actively pursues other business opportunities that align with its long-term strategies.

⁽¹⁾ <https://www1.bca.gov.sg/about-us/news-and-publications/media-releases/2025/01/23/construction-demand-to-remain-strong-for-2025>

SIN HENG HEAVY MACHINERY LIMITED AND ITS SUBSIDIARIES

OTHER INFORMATION

5. Dividend information

(a) Current Financial Period Reported on

Yes.

Name of Dividend: First and Final, Special

Dividend type: Cash

Dividend amount per share (cents): 1.0 cents (first and final) and 4.0 cents (special)

Tax rate: Tax exempt (one-tier)

The 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

Yes.

Name of Dividend: First and Final, Special

Dividend type: Cash

Dividend amount per share (cents): 1.0 cents (first and final) and 4.0 cents (special)

Date payable: 13 May 2024

Book closure date: 3 May 2024

(c) Date Payable

To be announced later.

(d) Book Closure Date

To be announced later.

6. Interested person transactions

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

The following interested person transactions took place between the Group and the interested persons during the financial year under review:

	Aggregate value of all interested person transactions during the financial period 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)	
	FY2024	FY2023	FY2024	FY2023
	S\$	S\$	S\$	S\$
Name of Interested Person				
Acquisition of Tady Timber Co Pte Ltd from:				
Tan Ah Lye	910,000	-	-	-
Tan Cheng Guan	195,000	-	-	-
Tan Cheng Soon, Don	195,000	-	-	-

SIN HENG HEAVY MACHINERY LIMITED AND ITS SUBSIDIARIES

7. 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 2024 to 31 December 2024 as follows:

1. Acquisition of a Subsidiary

On 29 October 2024, the Company has acquired a 100% equity interest in Tady Timber Co Pte Ltd ("TTC") for a total cash consideration of S\$1,300,000, funded by internal resources. The consideration was arrived at on a willing buyer and willing seller basis after taking into account various factors such as TTC is the owner of local corporate club memberships, the net assets value of TTC and recent transacted price for the corporate club memberships.

As none of the relative figures under Rule 1006 of the Mainboard Listing Rules of the Singapore Exchange Securities Trading Limited exceeds 5%, the acquisition constitutes a non-disclosable transaction under Chapter 10 of the Listing Manual.

This transaction is an interested person transaction as Tady Timber Co Pte Ltd was previously owned by the Company's Executive Director and CEO (70%), the Company's Executive Director (15%), and the CEO's son (15%). No announcement under Chapter 9 of the Mainboard Listing Rules was required as the total consideration of S\$1,300,000 for the acquisition of 100% of the share capital of TTC does not exceed the 3% threshold of the Group's latest audited net tangible assets.

The acquisition of TTC 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 2024.

2. Incorporation of a Subsidiary

Name of Company: SH Growth Investment Pte Ltd
Date of Incorporation: 7 November 2024
Country of Incorporation: Singapore
Share Capital: Issued and paid-up share capital of S\$10,000
Principal Activity: Other holding companies
Company's Shareholding Interest: 100%

The incorporation of SH Growth Investment Pte Ltd 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 2024.

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.

SIN HENG HEAVY MACHINERY LIMITED AND ITS SUBSIDIARIES

OTHER INFORMATION

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	57	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 2025