

# **SIN HENG HEAVY MACHINERY LIMITED AND ITS SUBSIDIARIES**

**Condensed Interim Financial Statements  
For the six months ended 30 June 2024**

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# SIN HENG HEAVY MACHINERY LIMITED AND ITS SUBSIDIARIES

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

	Note	Group		Increase/ (Decrease)
		6 months ended 30 Jun 2024 S\$'000	6 months ended 30 Jun 2023 S\$'000	
Revenue	3	23,934	34,736	(31.1%)
Cost of sales		(15,104)	(25,602)	(41.0%)
<b>Gross profit</b>		<b>8,830</b>	9,134	(3.3%)
Other operating income		960	1,030	(6.8%)
Selling expenses		(287)	(222)	29.3%
Administrative expenses		(5,047)	(5,091)	(0.9%)
Other operating expenses		(188)	(359)	(47.6%)
Finance costs		(96)	(84)	14.3%
<b>Profit before income tax</b>	5	<b>4,172</b>	4,408	(5.4%)
Income tax expense	4	(626)	(1,096)	(42.9%)
<b>Profit for the period</b>		<b>3,546</b>	3,312	7.1%
<b>Profit attributable to:</b>				
Owners of the Company		3,546	3,312	7.1%
Non-controlling interests		-	-	-
		<b>3,546</b>	3,312	7.1%
<b>Earnings per share (cents):</b>				
Basic	12	3.24	2.93	10.6%
Diluted		3.24	2.93	10.6%
<b>Profit for the period</b>		<b>3,546</b>	3,312	7.1%
<b>Other comprehensive income/(loss):</b>				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Exchange differences on translation of foreign operations		50	(683)	(107.3%)
<b>Total comprehensive income for the period</b>		<b>3,596</b>	2,629	36.8%
<b>Total comprehensive income attributable to:</b>				
Owners of the Company		3,596	2,629	36.8%
Non-controlling interests		-	-	-
		<b>3,596</b>	2,629	36.8%

NM: Not Meaningful

# SIN HENG HEAVY MACHINERY LIMITED AND ITS SUBSIDIARIES

## B. Condensed Interim Statements of Financial Position

	Note	Group		Company	
		As at 30	As at 31	As at 30	As at 31
		Jun 2024	Dec 2023	Jun 2024	Dec 2023
		S\$'000	S\$'000	S\$'000	S\$'000
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and bank balances		42,959	44,638	18,585	22,310
Trade receivables		10,302	11,735	10,712	12,469
Other receivables and prepayments		1,449	1,238	908	2,223
Lease receivables		-	-	128	176
Inventories		3,731	3,990	2,612	2,572
<b>Total current assets</b>		<b>58,441</b>	<b>61,601</b>	<b>32,945</b>	<b>39,750</b>
<b>Non-current assets</b>					
Property, plant and equipment	6	59,251	61,838	46,514	48,440
Right-of-use assets	7	3,242	3,332	3,126	3,173
Investment in subsidiaries		-	-	7,850	10,357
Financial assets at fair value through profit or loss (FVTPL)		275	349	275	349
Financial assets at fair value through other comprehensive income (FVTOCI)		700	700	700	700
Other assets		10	10	10	10
<b>Total non-current assets</b>		<b>63,478</b>	<b>66,229</b>	<b>58,475</b>	<b>63,029</b>
<b>Total Assets</b>		<b>121,919</b>	<b>127,830</b>	<b>91,420</b>	<b>102,779</b>
<b>LIABILITIES AND EQUITY</b>					
<b>Current liabilities</b>					
Derivative financial instruments		53	2	54	2
Trade payables		764	1,044	7,724	12,045
Other payables		2,905	4,689	2,594	4,463
Lease liabilities	9	2,750	2,914	2,750	2,914
Income tax payable		1,255	1,308	419	421
<b>Total current liabilities</b>		<b>7,727</b>	<b>9,957</b>	<b>13,541</b>	<b>19,845</b>
<b>Non-current liabilities</b>					
Lease liabilities	9	4,491	5,806	4,491	5,806
Deferred tax liabilities		5,860	5,864	4,150	4,150
<b>Total non-current liabilities</b>		<b>10,351</b>	<b>11,670</b>	<b>8,641</b>	<b>9,956</b>
<b>Capital and reserves</b>					
Share capital	10	41,846	41,846	41,846	41,846
Retained earnings		74,869	76,809	30,002	33,270
Treasury shares	11	(2,810)	(2,338)	(2,810)	(2,338)
Translation reserves		(9,341)	(9,391)	-	-
Capital reserve		(923)	(923)	-	-
Fair value reserve		200	200	200	200
<b>Total equity attributable to owners of the Company</b>		<b>103,841</b>	<b>106,203</b>	<b>69,238</b>	<b>72,978</b>
<b>Total Equity and Liabilities</b>		<b>121,919</b>	<b>127,830</b>	<b>91,420</b>	<b>102,779</b>

# SIN HENG HEAVY MACHINERY LIMITED AND ITS SUBSIDIARIES

## C. Condensed Interim 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
<b>2024</b>							
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>Transaction with owners, recognised directly in equity</i>							
Repurchase of shares	-	(472)	-	-	-	-	(472)
Dividends paid	-	-	-	-	-	(5,486)	(5,486)
<b>Balance at 30 June 2024</b>	<b>41,846</b>	<b>(2,810)</b>	<b>(9,341)</b>	<b>(923)</b>	<b>200</b>	<b>74,869</b>	<b>103,841</b>
<b>2023</b>							
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>Transaction with owners, recognised directly in equity</i>							
Repurchase of shares	-	(253)	-	-	-	-	(253)
Dividends paid	-	-	-	-	-	(3,969)	(3,969)
<b>Balance at 30 June 2023</b>	<b>41,846</b>	<b>(844)</b>	<b>(9,058)</b>	<b>(923)</b>	<b>-</b>	<b>72,126</b>	<b>103,147</b>
<u>Company</u>			Share capital S\$'000	Treasury shares S\$'000	Fair value reserve S\$'000	Retained earnings S\$'000	Total equity S\$'000
<b>2024</b>							
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>Transaction with owners, recognised directly in equity</i>							
Repurchase of shares			-	(472)	-	-	(472)
Dividends paid			-	-	-	(5,486)	(5,486)
<b>Balance at 30 June 2024</b>			<b>41,846</b>	<b>(2,810)</b>	<b>200</b>	<b>30,002</b>	<b>69,238</b>
<b>2023</b>							
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>Transaction with owners, recognised directly in equity</i>							
Repurchase of shares			-	(253)	-	-	(253)
Dividends paid			-	-	-	(3,969)	(3,969)
<b>Balance at 30 June 2023</b>			<b>41,846</b>	<b>(844)</b>	<b>-</b>	<b>31,461</b>	<b>72,463</b>

# SIN HENG HEAVY MACHINERY LIMITED AND ITS SUBSIDIARIES

## D. Condensed Interim Statement of Cash Flows

	Group	
	6 months ended 30 Jun 2024 S\$'000	6 months ended 30 Jun 2023 S\$'000
<b>Cash flows from operating activities</b>		
Profit before income tax	4,172	4,408
Adjustments for:		
Unrealised fair value loss from derivative financial instruments	51	38
Depreciation of property, plant & equipment	3,033	3,307
Depreciation of right-of-use assets	91	136
Allowance for doubtful debts	-	24
Bad debts written off	-	86
Interest expense	96	84
Interest income	(715)	(516)
Net unrealised foreign exchange (gain)/loss	(2)	81
Property, plant and equipment written off	-	66
Gain on disposal of property, plant and equipment	(75)	(370)
Fair value loss arising on financial assets designated as FVTPL	74	76
Operating cash flows before movements in working capital	6,725	7,420
Trade receivables	1,433	(3,349)
Other receivables and prepaid expenses	(212)	(36)
Inventories	1,845	6,301
Trade payables	(280)	321
Other payables	(1,784)	2,205
Cash generated from operations	7,727	12,862
Income tax paid	(678)	(407)
Purchase of property, plant and equipment	(1,718)	(8,853)
<b>Net cash generated from operating activities</b>	<b>5,331</b>	<b>3,602</b>
<b>Cash flows from investing activities</b>		
Interest received	715	516
Purchase of property, plant and equipment	(329)	(1,968)
Purchase of financial assets at fair value designated at FVTOCI	-	(500)
Proceeds from disposal of property, plant and equipment	91	528
Proceeds from disposal of financial assets designated at FVTPL	-	1,800
Bank fixed deposits with maturity of more than 3 months (Note 1)	(15,213)	-
<b>Net cash (used in)/generated from investing activities</b>	<b>(14,736)</b>	<b>376</b>
<b>Cash flows from financing activities</b>		
Bills payable	-	(255)
Interest paid	(96)	(84)
Payment of dividends to owners of the Company	(5,486)	(3,969)
Repayment of lease liabilities	(1,478)	(1,355)
Purchase of treasury shares	(472)	(253)
Proceeds from hire purchase facilities	-	3,328
<b>Net cash used in financing activities</b>	<b>(7,532)</b>	<b>(2,588)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(16,937)</b>	<b>1,390</b>
Cash and cash equivalents at beginning of the period	44,638	38,051
Effect of exchange rate changes on the balance of cash held in foreign currencies	45	(68)
<b>Cash and cash equivalents at end of the period</b>	<b>27,746</b>	<b>39,373</b>

## SIN HENG HEAVY MACHINERY LIMITED AND ITS SUBSIDIARIES

### 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:

	<b>Group</b>	
	<b>6 months ended 30 Jun 2024</b>	6 months ended 30 Jun 2023
	<b>S\$'000</b>	S\$'000
Cash at banks and on hand	11,733	12,270
Bank fixed deposits	31,226	27,103
	42,959	39,373
Less: Bank fixed deposits with maturity of more than 3 months	(15,213)	-
Cash and cash equivalents presented in the statement of cash flows	27,746	39,373

# SIN HENG HEAVY MACHINERY LIMITED AND ITS SUBSIDIARIES

## E. Notes to the Condensed Interim 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 interim financial statements as at and for the six months ended 30 June 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 30 June 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 interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and the performance of the Group since the last financial statements for the year ended 31 December 2023.

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

#### 2.2. Basis of measurement

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

The condensed interim 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 interim 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.



# SIN HENG HEAVY MACHINERY LIMITED AND ITS SUBSIDIARIES

## E. Notes to the Condensed Interim 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.

- (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 assesses 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 such indicators, the management estimates the recoverable amounts of these assets to determine the extent of the impairment loss, if any. The recoverable amounts of these assets are determined based on value-in-use calculations which require the use of key estimates such as rental rates and utilisation rates.

#### 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

# SIN HENG HEAVY MACHINERY LIMITED AND ITS SUBSIDIARIES

## E. Notes to the Condensed Interim 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
<b>6 months ended 30 June 2024</b>			
Segment revenue	15,790	8,144	23,934
Segment profit	6,064	2,766	8,830
Selling expenses	(189)	(98)	(287)
Other operating income			960
Administrative expenses			(5,047)
Other operating expenses			(188)
Finance costs	(94)	(2)	(96)
<b>Profit before tax</b>			4,172
Income tax expenses			(626)
<b>Profit for the period</b>			<b>3,546</b>
<b>Other information</b>			
Capital expenditure	(1,891)	(156)	(2,047)
Depreciation expense	(2,944)	(180)	(3,124)
Gain on disposal of property, plant and equipment	75	-	75
<b>6 months ended 30 June 2023</b>			
Segment revenue	15,238	19,498	34,736
Segment profit	4,693	4,441	9,134
Selling expenses	(98)	(124)	(222)
Other operating income			1,030
Administrative expenses			(5,091)
Other operating expenses			(359)
Finance costs	(80)	(4)	(84)
<b>Profit before tax</b>			4,408
Income tax expenses			(1,096)
<b>Profit for the period</b>			<b>3,312</b>
<b>Other information</b>			
Capital expenditure	(10,710)	(111)	(10,821)
Depreciation expense	(3,240)	(203)	(3,443)
Allowance for doubtful debts	(24)	-	(24)
Bad debts written off	(86)	-	(86)
Property, plant and equipment written off	(66)	-	(66)
Gain on disposal of property, plant and equipment	370	-	370

## SIN HENG HEAVY MACHINERY LIMITED AND ITS SUBSIDIARIES

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

#### 3. Segment and Revenue Information (cont'd)

##### 3.2. Segment assets and liabilities

	<u>Group</u>		
	<u>Equipment Rental</u>	<u>Trading</u>	<u>Total</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
<b><u>As at 30 June 2024</u></b>			
Segment assets	61,277	15,249	76,526
Unallocated corporate assets			45,393
<b>Total assets</b>			<b>121,919</b>
Segment liabilities	12,233	1,632	13,865
Unallocated corporate liabilities			4,213
<b>Total liabilities</b>			<b>18,078</b>
<b><u>As at 31 December 2023</u></b>			
Segment assets	64,186	16,709	80,895
Unallocated corporate assets			46,935
<b>Total assets</b>			<b>127,830</b>
Segment liabilities	8,084	1,680	9,764
Unallocated corporate liabilities			11,863
<b>Total liabilities</b>			<b>21,627</b>

##### 3.3. Disaggregation of revenue

The following table provide details on the Group's revenue by location of customers by geographical area:

	<u>Group</u>		
	<u>Equipment Rental</u>	<u>Trading</u>	<u>Total</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
<b><u>Geographical information</u></b>			
<b>6 months ended 30 June 2024</b>			
Singapore	15,790	2,719	18,509
Indonesia	-	2,373	2,373
Malaysia	-	679	679
Philippines	-	1,195	1,195
Brunei	-	660	660
Taiwan	-	190	190
Others	-	328	328
<b>Total revenue</b>	<b>15,790</b>	<b>8,144</b>	<b>23,934</b>
<b>6 months ended 30 June 2023</b>			
Singapore	13,852	7,235	21,087
Indonesia	-	4,298	4,298
Malaysia	1,386	899	2,285
Taiwan	-	5,533	5,533
Japan	-	1,503	1,503
Others	-	30	30
<b>Total revenue</b>	<b>15,238</b>	<b>19,498</b>	<b>34,736</b>

## SIN HENG HEAVY MACHINERY LIMITED AND ITS SUBSIDIARIES

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

#### 3. Segment and Revenue Information (cont'd)

##### 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 contributed more than 10 percent to the revenue of the Group (2023: 2).

#### 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 interim statement of profit or loss are:

	<b>Group</b>	
	<b>6 months ended 30 Jun 2024</b>	<b>6 months ended 30 Jun 2023</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Current income tax expense	<b>(626)</b>	<b>(1,096)</b>

#### 5. Profit Before Income Tax

	<b>Group</b>	
	<b>6 months ended 30 Jun 2024</b>	<b>6 months ended 30 Jun 2023</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Profit for the year has been arrived at after charging/(crediting):</b>		
Depreciation of property, plant and equipment	<b>3,033</b>	3,307
Depreciation of right-of-use assets	<b>91</b>	136
Allowance for doubtful debts	-	24
Bad debts written off	-	86
Currency exchange loss/(gain) - net	<b>34</b>	(70)
Gain on disposal of property, plant and equipment	<b>(75)</b>	(370)
Fair value loss arising on financial assets designated as FVTPL	<b>74</b>	76
Interest expense	<b>96</b>	84
Interest income	<b>(715)</b>	(516)
Unrealised fair value loss from derivative financial instruments	<b>51</b>	38

#### 6. Property, Plant and Equipment

During the six months ended 30 June 2024, 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\$2.1 million (30 June 2023: S\$10.8 million) and disposed of assets amounting to S\$16k (30 June 2023: S\$158k).

## SIN HENG HEAVY MACHINERY LIMITED AND ITS SUBSIDIARIES

### E. Notes to the Condensed Interim 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

Set out below is an overview of the financial assets and financial liabilities of the Group and the Company as at 30 June 2024 and 31 December 2023.

	Group		Company	
	As at 30 Jun 2024 S\$'000	As at 31 Dec 2023 S\$'000	As at 30 Jun 2024 S\$'000	As at 31 Dec 2023 S\$'000
<b>Financial assets</b>				
Financial assets at amortised cost	53,778	57,129	29,579	36,986
Financial assets measured at FVTPL	275	349	275	349
Financial assets measured at FVTOCI	700	700	700	700
	<b>54,753</b>	<b>58,178</b>	<b>30,554</b>	<b>38,035</b>
<b>Financial liabilities</b>				
Financial liabilities at amortised cost	3,445	5,733	10,128	16,508
Lease liabilities	7,241	8,720	7,241	8,720
Derivative financial instruments	53	2	54	2
	<b>10,739</b>	<b>14,455</b>	<b>17,423</b>	<b>25,230</b>

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 30 Jun 2024 S\$'000	As at 31 Dec 2023 S\$'000	As at 30 Jun 2024 S\$'000	As at 31 Dec 2023 S\$'000
<u>Amount repayable within one year or on demand</u>				
Secured	2,750	2,914	2,750	2,914
Unsecured	-	-	-	-
<u>Amount repayable after one year</u>				
Secured	4,491	5,806	4,491	5,806
Unsecured	-	-	-	-

As at 30 June 2024, the Group's lease liabilities of S\$7.2 million (31 December 2023 : S\$8.7 million) were secured over the Group's right-of-use assets and certain plant and equipment with carrying values of S\$3.2 million (31 December 2023 : S\$3.3 million) and S\$11.2 million (31 December 2023 : S\$11.7 million), respectively.

## SIN HENG HEAVY MACHINERY LIMITED AND ITS SUBSIDIARIES

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

#### 10. Share Capital

	<b>Number of shares</b>	
	<b>As at 30 Jun 2024</b>	As at 31 Dec 2023
Total number of issued ordinary shares	<b>114,888,980</b>	114,888,980
Less: Treasury shares	<b>(6,138,480)</b>	(5,165,480)
Total number of issued ordinary shares (excluding treasury shares)	<b>108,750,500</b>	109,723,500

As at 30 June 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 30 June 2024 and 31 December 2023.

#### 11. Treasury Shares

	<b>Number of shares</b>	
	<b>As at 30 Jun 2024</b>	As at 31 Dec 2023
At beginning of the period	<b>5,165,480</b>	1,475,980
Repurchase of shares	<b>973,000</b>	3,689,500
At end of the period	<b>6,138,480</b>	5,165,480

As at 30 June 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

	<b>Group</b>	
	<b>6 months ended 30 Jun 2024</b>	6 months ended 30 June 2023
EPS based on weighted average number of ordinary shares on issue (cents)	<b>3.24</b>	2.93
On a fully diluted basis (cents)	<b>3.24</b>	2.93
Weighted average number of ordinary shares in issue ('000)	<b>109,399</b>	113,212

There were no potential dilutive ordinary shares in existence for the periods from 1 January 2024 to 30 June 2024 and 1 January 2023 to 30 June 2023.

## SIN HENG HEAVY MACHINERY LIMITED AND ITS SUBSIDIARIES

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

#### 13. Net Asset Value Per Share

	<b>Group</b>		<b>Company</b>	
	<b>As at 30 Jun 2024</b>	As at 31 Dec 2023	<b>As at 30 Jun 2024</b>	As at 31 Dec 2023
Net asset value per ordinary share (cents)	<b>95.49</b>	96.79	<b>63.67</b>	66.51
Ordinary shares at the end of the current financial period and immediately preceding financial year ('000)	<b>108,751</b>	109,724	<b>108,751</b>	109,724

#### 14. Dividends

No interim dividend for the half year ended 30 June 2024 (30 June 2023: Nil) was recommended in view of the Group's operational and financial cash needs.

#### 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 condensed interim statement of financial position of Sin Heng Heavy Machinery Limited and its subsidiaries as at 30 June 2024 and the related condensed interim profit or loss and other comprehensive income, condensed interim statement of changes in equity and condensed interim 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		
	6 months (Period to date)		
	1H FY2024	1H FY2023	% Change
	S\$'000	S\$'000	
Equipment Rental business	15,790	15,238	3.6%
Trading business	8,144	19,498	(58.2%)
<b>Total</b>	<b>23,934</b>	<b>34,736</b>	<b>(31.1%)</b>

The Group registered a total revenue of S\$23.9 million in 1H FY2024, which was 31.1% lower than 1H FY2023. The decrease was mainly due to lower revenue generated in Trading business.

Revenue from Equipment Rental business increased by 3.6% to S\$15.8 million in 1H FY2024 as compared to 1H FY2023. The increase was mainly due to improve contribution from our Singapore operations.

Revenue from Trading business decreased by 58.2% to S\$8.1 million in 1H FY2024 as compared to 1H FY2023. The overall decrease was mainly due to decrease in the number of equipment sold during the period.

##### Gross Profit

	Group		
	6 months (Period to date)		
	1H FY2024	1H FY2023	% Change
	S\$'000	S\$'000	
Equipment Rental business	6,064	4,693	29.2%
Trading business	2,766	4,441	(37.7%)
<b>Total</b>	<b>8,830</b>	<b>9,134</b>	<b>(3.3%)</b>

The Group registered a total gross profit of S\$8.8 million in 1H FY2024 which was 3.3% lower than 1H FY2023. The decrease was mainly due to lower revenue generated in Trading business, resulting in lower gross profit in 1H FY2024, and was partially offset by an improved contribution from Equipment Rental business.

The Group registered a gross profit of S\$6.1 million from Equipment Rental business in 1H FY2024, which was 29.2% higher than 1H FY2023. The significant increase in Equipment Rental business gross profit was due to the increase in revenue, and lower associated costs due to the results of the Group's effort to rationalise its equipment rental fleet in prior periods.

The Group registered a gross profit of S\$2.8 million from Trading business in 1H FY2024, which was 37.7% lower than 1H FY2023. The overall decrease was mainly due to decrease in trading revenue and different product mix sold.

# SIN HENG HEAVY MACHINERY LIMITED AND ITS SUBSIDIARIES

## OTHER INFORMATION

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

#### **INCOME STATEMENT (cont'd)**

##### Other Operating Income

Other operating income decreased by S\$0.07 million in 1H FY2024 as compared to 1H FY2023. The decrease was mainly due to the lower gain on disposal of property, plant and equipment during the period, and was partially offset by higher interest income.

##### Selling Expenses

Selling expenses increased by S\$0.07 million in 1H FY2024 as compared to 1H FY2023. The increase was mainly due to sales commission payment.

##### Administrative Expenses

Administrative expenses have largely remained flat in 1H FY2024 compared to 1H FY2023 with a marginal decrease of S\$0.04 million.

##### Other Operating Expenses

Other operating expenses decreased by S\$0.17 million in 1H FY2024 as compared to 1H FY2023. The decrease was mainly due to the absence of bad debts provision, bad debts written off, and fair value loss for financial assets at fair value through profit or loss in current period.

##### Finance Costs

Finance costs has largely remained flat in 1H FY2024 compared to 1H FY2023 with a marginal increase of S\$0.01 million.

##### Income Tax Expense

The Group recorded an income tax expense in 1H FY2024, mainly due to provision of current tax expenses for the period ended 30 June 2024.

# 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 30 June 2024, current assets amounted to S\$58.4 million or 48% of total assets. Current assets mainly comprise of cash and bank balances, trade and other receivables and inventories. Total current assets decreased by S\$3.2 million as compared to 31 December 2023 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 30 June 2024, non-current assets amounted to S\$63.5 million or 52% of total assets. Non-current assets mainly comprises of property, plant and equipment and right-of-use assets. Total non-current assets decreased by S\$2.8 million as compared to 31 December 2023 mainly due to depreciation charged for the period.

##### Current Liabilities

As at 30 June 2024, current liabilities amounted to S\$7.7 million or 43% of total liabilities. Current liabilities mainly comprise of trade and other payables, current portion of lease liabilities and income tax payable. Total current liabilities decreased by S\$2.2 million as compared to 31 December 2023, mainly due to decrease in trade and other payables and current portion of lease liabilities.

##### Non-Current Liabilities

As at 30 June 2024, non-current liabilities amounted to S\$10.4 million or 57% of total liabilities. Non-current liabilities comprises of the non-current portion of lease liabilities and deferred tax liabilities. Total non-current liabilities decreased by S\$1.3 million as compared to 31 December 2023, mainly due to decrease in non-current portion of lease liabilities.

##### Working Capital

As at 30 June 2024, the Group registered a positive working capital of S\$50.7 million as compared to that of S\$51.6 million as at 31 December 2023.

##### Equity

As at 30 June 2024, the Group's total equity stood at S\$103.8 million. Total equity decreased by S\$2.4 million as compared to 31 December 2023, mainly due to payment of dividend, and was partially offset against profit for the period.

## 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 1H FY2024 was S\$5.3 million. This comprised positive operating cash flows before changes in working capital of S\$6.7 million, and increase in net working capital flow of S\$1.0 million and offset by the purchase of property, plant and equipment for rental use of S\$1.7 million and income tax payment of S\$0.7 million.

Net cash used in investing activities was S\$14.7 million in 1H FY2024. This was due to the additions to fixed deposits with maturity of more than 3 months of S\$15.2 million and cash outlay for the purchase of property, plant and equipment of S\$0.3 million, offset by the proceeds from disposal of property, plant and equipment of S\$0.1 million and interest received of S\$0.7 million.

Net cash used in financing activities was S\$7.5 million in 1H FY2024. This was mainly due to the dividend paid of S\$5.5 million, payment of lease liabilities of S\$1.5 million and purchase of treasury shares of S\$0.5 million.

#### 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

Generally, the business environment where the Group operates in continues to remain challenging and uncertain due to geopolitical tensions, persistent cost pressures, supply chain disruption, as well as volatile foreign exchange.

Notwithstanding the above-mentioned, the Group maintains a positive outlook for its operations in Singapore due to the Government's ongoing projects such as the construction of MRT lines, infrastructure works for Changi Airport Terminal 5 and Tuas Port as well as other major road enhancement and drainage improvement works. The Malaysian operations are anticipated to remain challenging and the Group is now focusing on the trading business in Malaysia.

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.

### OTHER INFORMATION

#### 5. Dividend information

##### (a) Current Financial Period Reported on

No interim dividend for the half year ended 30 June 2024 were recommended.

##### (b) Corresponding Period of the Immediate Preceding Financial Year

No interim dividend was declared for the corresponding period of the immediately preceding financial year.

## SIN HENG HEAVY MACHINERY LIMITED AND ITS SUBSIDIARIES

### OTHER INFORMATION

#### 5. Dividend information (cont'd)

(c) Date Payable

Not applicable.

(d) Book Closure Date

Not applicable.

#### 6. 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.

#### 7. 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.

#### 8. Negative confirmation pursuant to Rule 705(5) of the Listing Manual

The Board of Directors of the Company hereby confirm that, to the best of their knowledge, nothing has come to their attention which may render the unaudited interim financial results for the six months ended 30 June 2024 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Tan Ah Lye  
Executive Director and CEO  
13 August 2024