Results Presentation 1H FY2026
Analyst Briefing

Business Update

Business Update 1H 2026

Global Economy	• Unpredictable US trade policies • Geopolitical conflicts in Middle-east • Lower interest rates – stimulus to economy } Mixed external environment
Chemical Industry	• Industry faces trade flow disruption caused by tension in ME => Rising supply chain and energy cost => Oversupply in 2025 easing => Price recovery => Unpredictable demand for chemicals
Megachem	• Impact of Middle East conflict mitigated by Asia-centric business model • Business boosted by price recovery • Following the fire incident in July 2023, warehouse reconstruction completed and Temporary Occupation Permit obtained in June 2026

Mixed External Environment

Financial Performance

Impact of fire on Profit & Loss

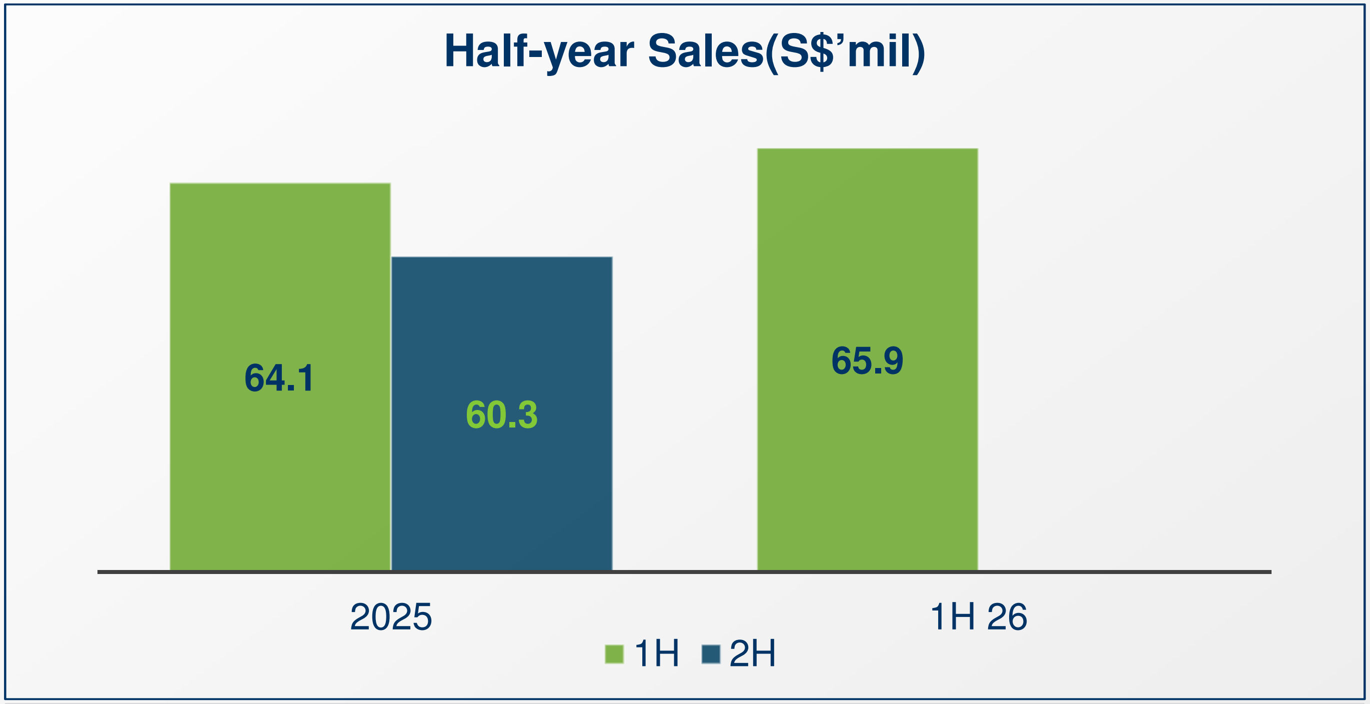
	H2 23	H1 24	H2 24	1H 25	2H 25	1H 26	To-date
Income:	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Insurance claim income	3,149	4,910	4,408	-	-	1,200	13,667
Expenses/loss:							
Inventories written off	(5,919)	-	-	-	-		(5,919)
Property, plant and equipment written off	(811)	-	-	-	-		(811)
Demolition and decontamination costs	(2,320)	(1,031)	-	-	-		(3,351)
Waste disposal costs	(905)	(2,760)	-	-	-		(3,665)
Compensation claims	(805)	-	-	-	-		(805)
Other costs	(127)	(397)	(198)	-	-		(722)
Total expenses/losses	(10,887)	(4,188)	(198)	-	-		(15,273)
Net impact before income tax expense	(7,738)	722	4,210	-	-	1,200	(1,606)

Note : Excludes reconstruction cost of the warehouse. No impact from the fire incident in FY25.

Profit & Loss Highlights

S$'mil	1H 25	1H 26	1H 26 vs 1H 25	Var %	
Sales	64.1	65.9	1.8	2.8%	▲
Gross Profit	16.1	18.8	2.7	17.2%	▲
Gross Profit Margin %	25.1%	28.6%	3.5% pts	-	▲
Expenses	15.0	16.3	1.3	8.7%	▲
Other Income	0.27	1.54	1.27	470%	▲
Other income (excluding impact of fire)	0.27	0.34	0.07	28.0%	▲
Share of associate profit	0.7	0.9	0.2	26.6%	▲
NPBT	2.1	5.0	2.9	138%	▲
NPAT	1.7	4.6	2.9	167.9%	▲
NPAT (excluding impact of fire)	1.7	3.4	1.7	100%	▲

Sales



1H 25

- Frontloading of inventory in response to US tariffs

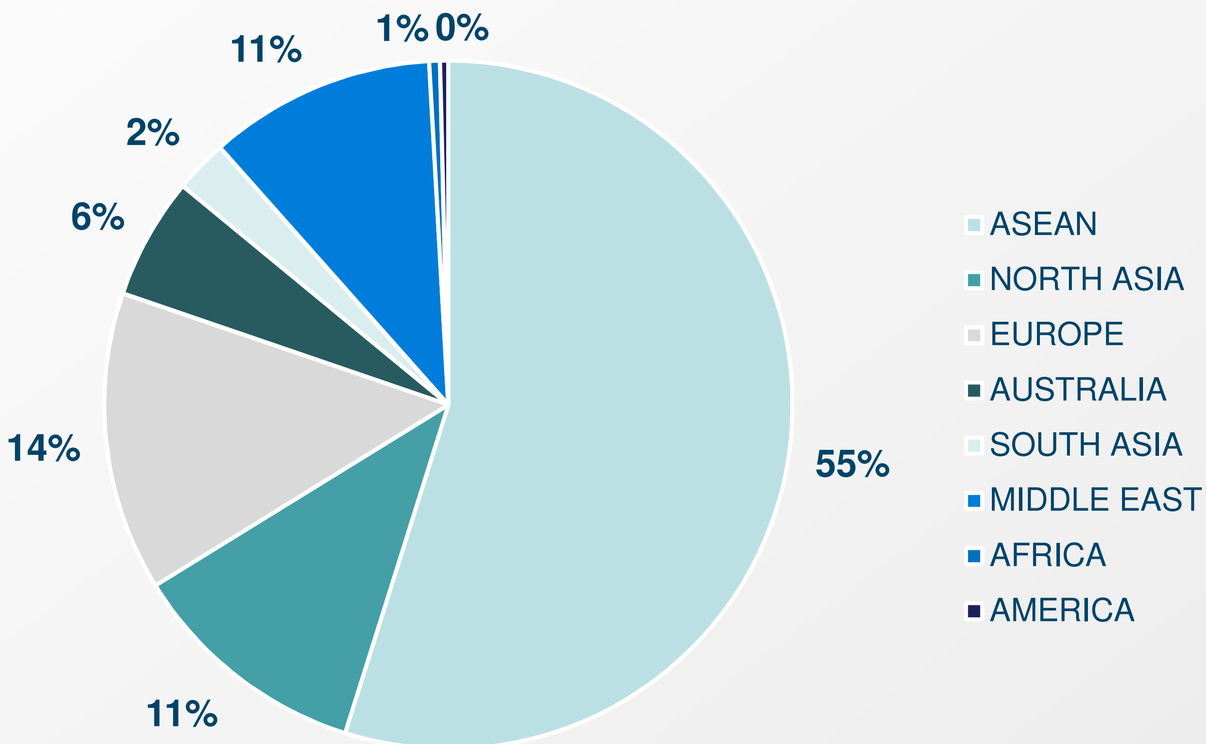
2H 25

- US tariffs posed challenges to customers' production and inventory planning
- Over-supply in chemical industry => chemical prices remain soft.
- => sales fell

1H 26

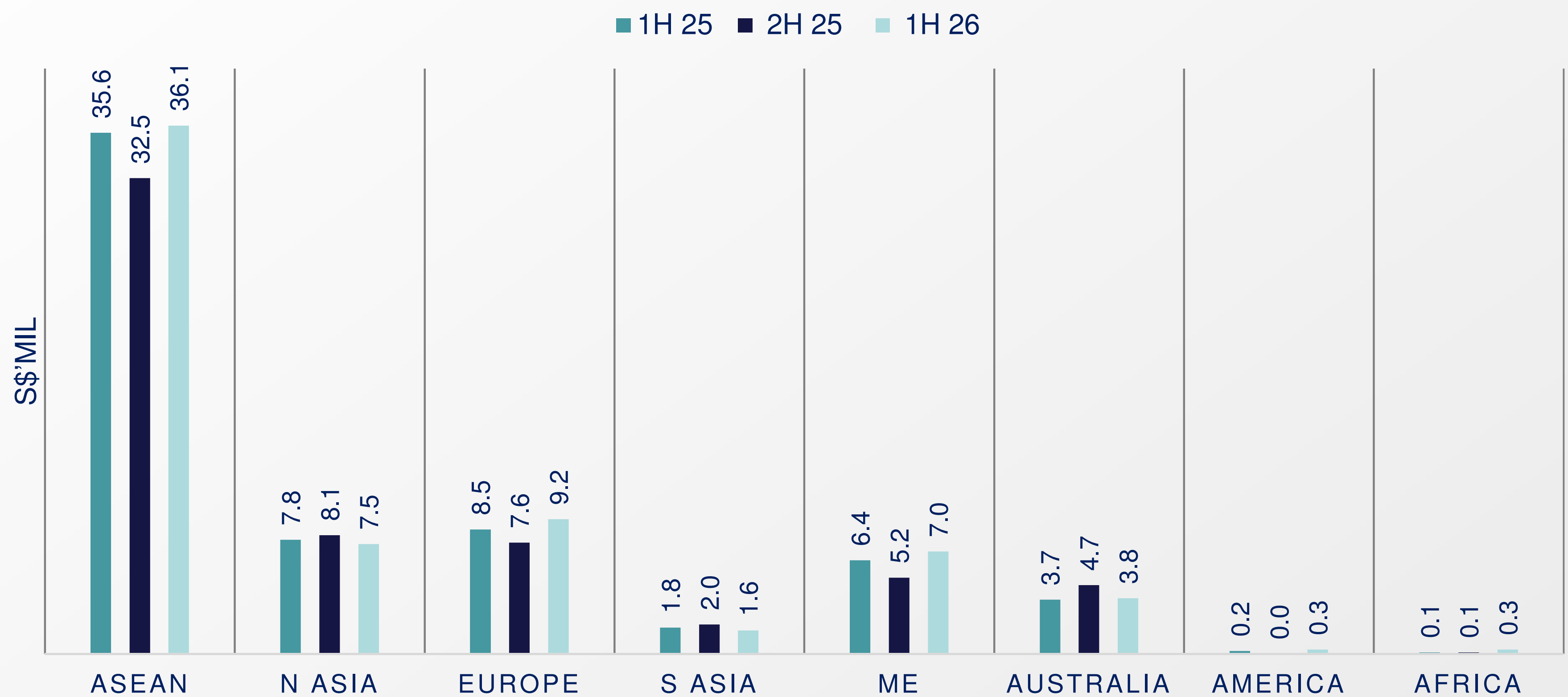
- Middle East conflict disrupted supply chain and trade flow.
- As supply tighten, prices recover => higher sales
- S$1.8 mil(2.8%) higher than 1H 25.
- S$5.6 mil(9.1%) higher than 2H 25.

Sales Breakdown by Geographic Segments



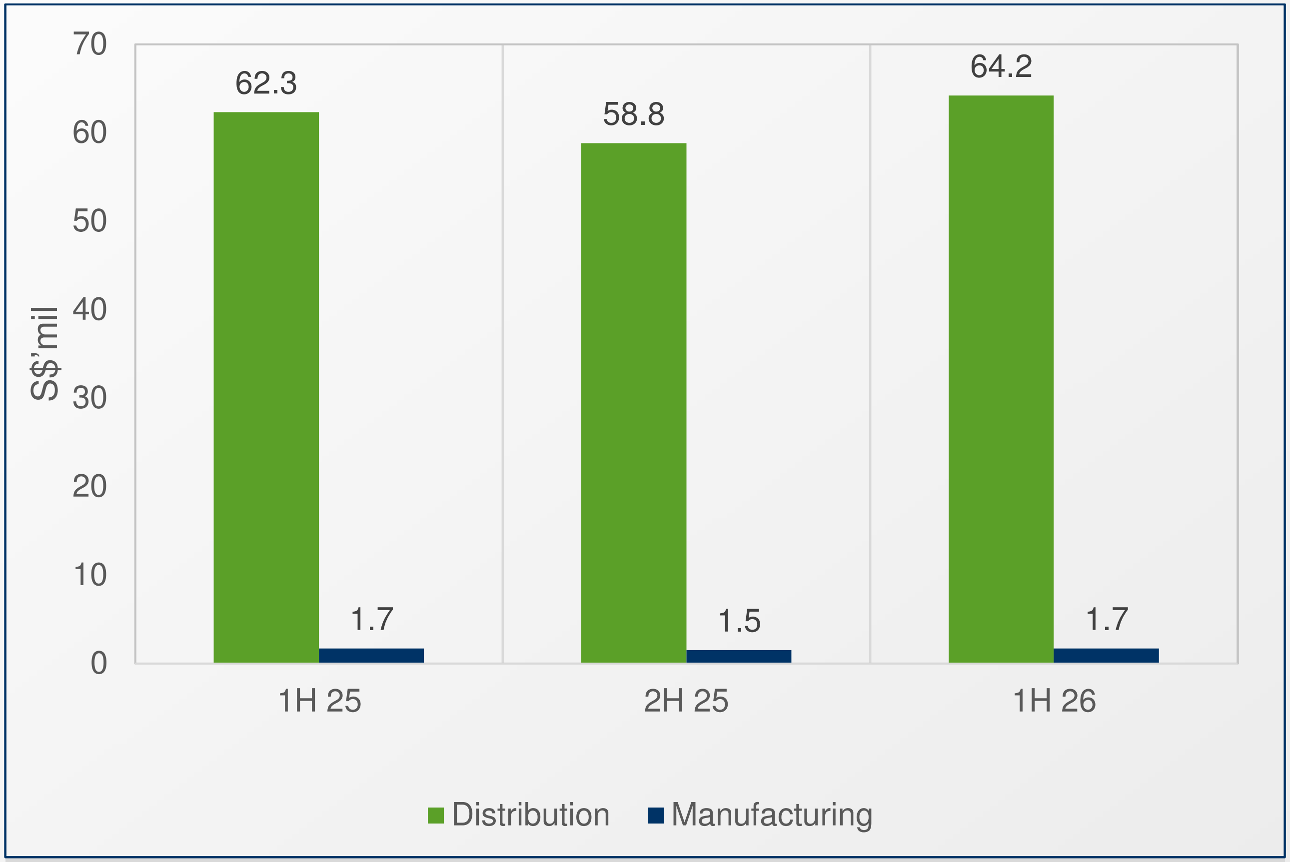
Asia-centric focus.

Sales Breakdown by Geographic Segments



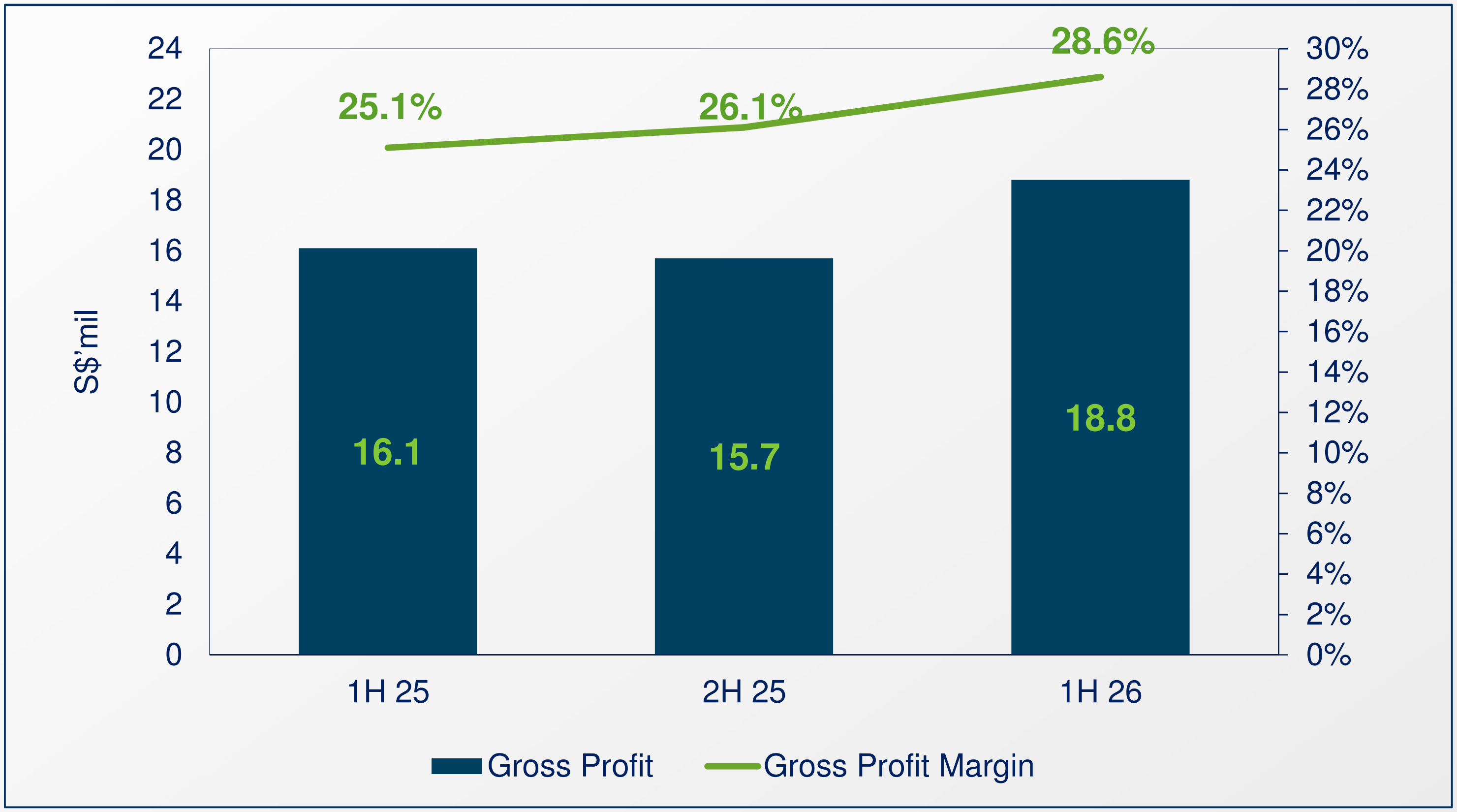
- Higher sales came from ASEAN, Europe, Middle East.
- Our Middle East business relatively unscathed despite the Iran war

Sales breakdown by Business Activity



- Higher sales came from distribution activity.
- Sales from Manufacturing activity is mainly fee-based. Relatively unchanged.

Gross Profit



- Higher gross profit margin due to higher chemical prices and marginal write-back for inventory impairment.

Expenses

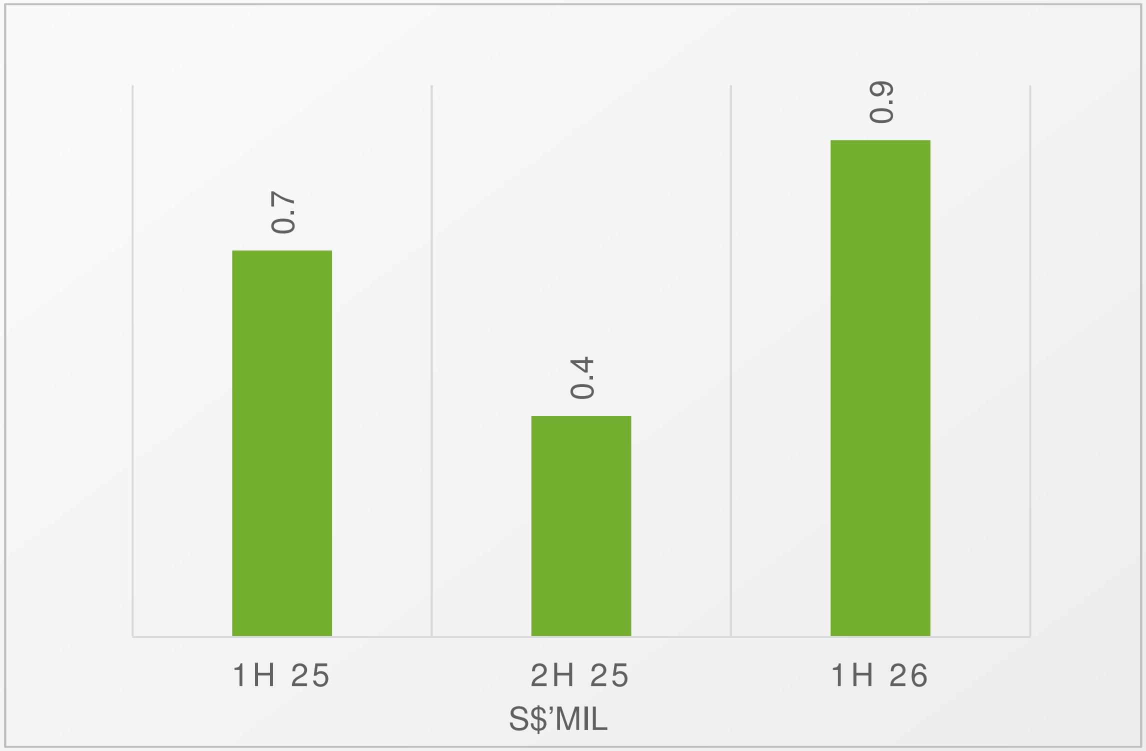
S$'mil	1H 25	1H 26	Var	Var %	Remarks
Depreciation of PPE	0.46	0.59	0.13	27.0%	Higher depreciation following completion of the new warehouse
Transport charges	0.4	0.8	0.4	100%	In line with higher sales and higher transport cost
Staff cost	8.5	9.3	0.8	9.4%	Increase in staff cost
Warehouse charges	1.77	1.63	(0.14)	(7.9%)	Lower reliance on 3rd party warehouses following completion of new warehouse

- Total expenses increased by S$1.3 mil or 8.7% to S$16.3 mil.
- Mainly due to staff cost, depreciation of property, plant and equipment following completion of the new warehouse as well as transport charges.
- Following completion of the new warehouse, inventory from 3rd party warehouses have been gradually transferred to the new warehouse, resulting in lower warehouse charges.

Other Income

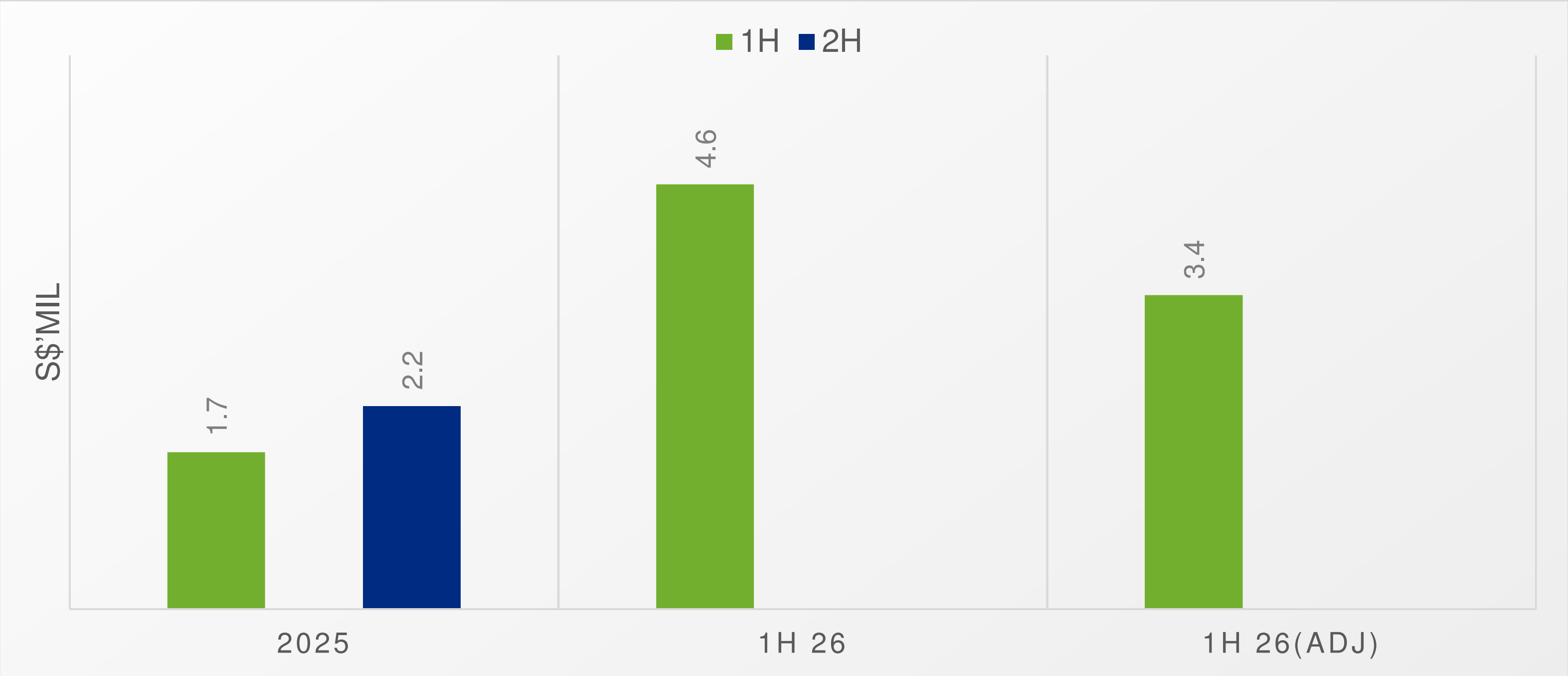
S$'mil	1H 25	1H 26	Var	Remarks
Insurance claim	0.02	1.25	1.23	Insurance claim of S$1.2 mil in 1H 26 relates to the fire incident in July 23.
Others	0.24	0.28	0.04	Others consists mainly of grant and interest income
Total Other Income	0.27	1.54	1.27	

Share of Associate's Profit



- Profit contribution from our Thai associate increased on higher sales.

Net Profit After Tax



<u>1H 26 vs 1H 25</u>

- Increased by S$2.9 mil or 167.9%.
- Excluding the S$1.2 mil fire insurance compensation, the increase in NPAT would have been S$1.7 mil or 100%.

<u>1H 26 vs 2H 25</u>

- Increased by S$2.4 mil or 110.3%.
- Excluding the S$1.2 mil fire insurance compensation, the increase in NPAT would have been S$1.2 mil or 57.3%

The higher adjusted NPAT is mainly attributed to higher sales, better gross profit margin and higher contribution from associated company.

Balance Sheet

Prudent Financial Management

S$'mil	31 Dec 25	30 Jun 26	Var	
Cash	14.0	14.4	-	Healthy cash position
Borrowings	34.7	39.4	4.7	Higher working capital requirement & funding for new warehouse
Gearing (times)	0.57	0.61	0.04	Higher borrowings
Net gearing (times)	0.34	0.38	0.04	Gearing still at healthy level
Current ratio (times)	1.6	1.5	(0.1)	Sound liquidity.
Inventory(net)	29.0	30.2	1.2	In line with higher sales.
Inventory T/O (days)	147	140	(7)	
Trade Receivables (net)	23.6	27.6	4.0	No major deterioration in customers payment
Receivables T/O (days)	69	72	3	
NTA/share (cents)	46.00	48.75	2.75	

Cashflow Statement

Maintaining sound liquidity

$'mil	FY2025	1H 26	
Cash from/(used in) operating activities	5.7	1.3	Positive operating cashflow
Cash from/(used in) investing activities	(13.7)	(4.0)	Funding for new warehouse
Cash from/(used in) financing activities	6.8	2.6	Funding for new warehouse came from bank loans and internal funds.
Net increase/(decrease) in cash	(1.2)	-	
Beginning cash and cash equivalents	15.3	14.0	
Ending cash and cash equivalents	14.0	14.0	

Share Performance : Enhancing Shareholders' Long Term Value

Share Statistics

Share Information (as at 12 Aug 2026)	
Listing Date	17 October 2003
IPO Price	28 cents
Historical High	68 cents
Historical Low	13 cents
52 weeks High	50 cents
52 weeks Low	40 cents
Price (as at 12 Aug 2026)	45.0 cents
No of Shares	133,300,000
Earnings per share 1H FY26	3.42 cents
Historical P/E(a)	8.9x
Market Capitalisation (as at 12 Aug 2026)	S$59.98 mil
NTA/share	48.75 cents
Price/Book Ratio (b)	0.92

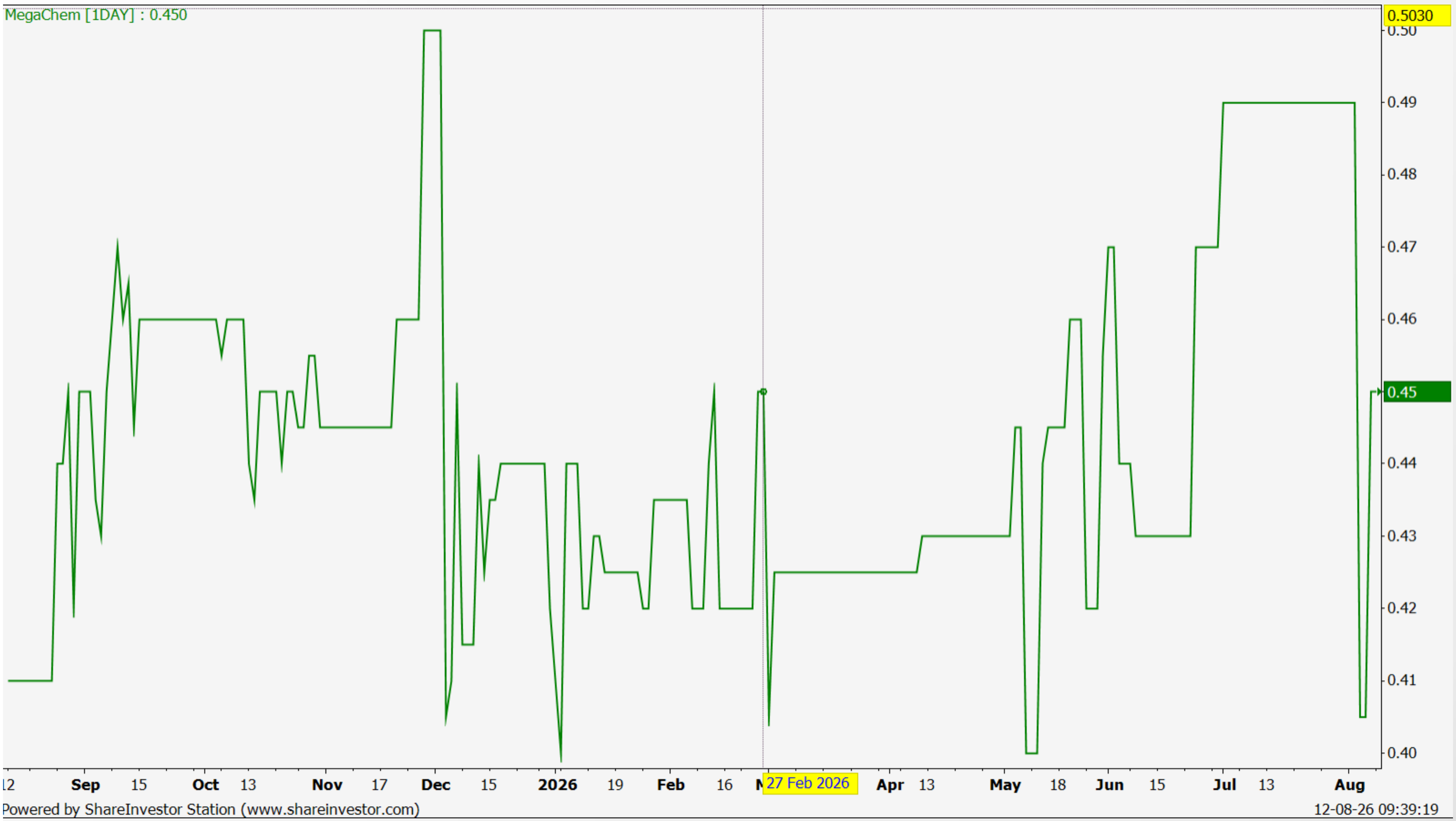
Note :

(a) P/E = price as at 12 Aug 2026 / (EPS 2H 25 + 1H 26)=45/(1.61+3.42) = 8.9x

(b) Price/Book ratio = price as at 12 Aug 2026/NTA per share = 45/48.75 = 0.92.

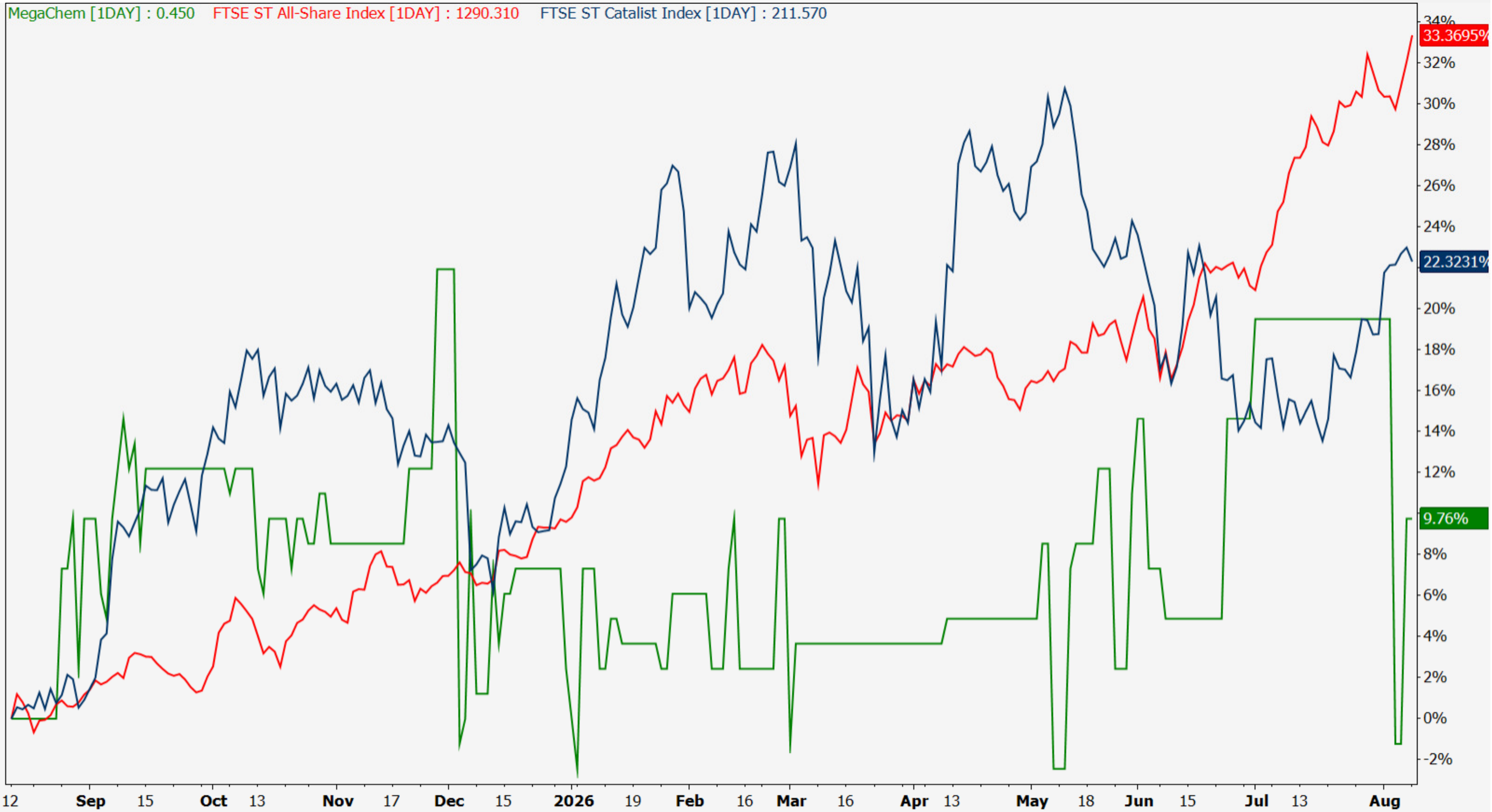
Share Price Performance

Share price chart : 1 year to 12 Aug 2026



Share Price Performance

Share price chart : 1 year to 12 Aug 2026



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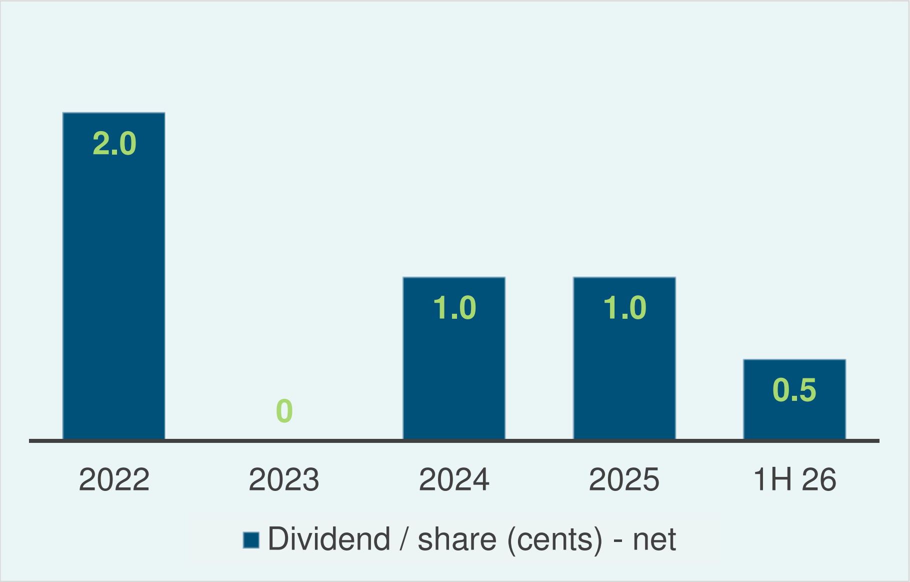
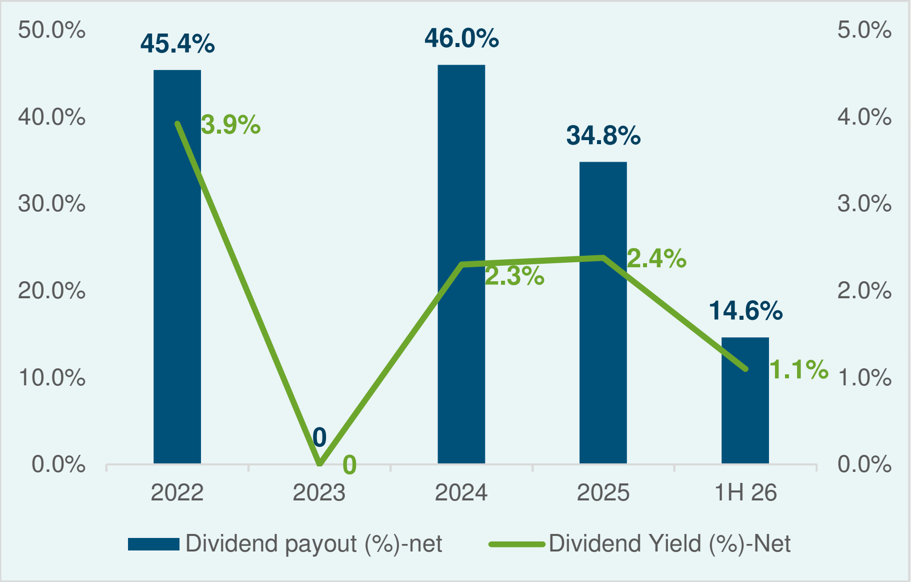
1H FY2026 Interim Dividend

	1H FY2026
Interim Dividend (cts/share)	0.5





Note :
No dividend was paid for FY2023 due to a fire incident at our warehouse.

* Dividend payout = 1H FY26 dividend/net profit
** Dividend yield(un-annualized) = 1H FY26 dividend per share / price as at 30 June 2026=0.5/47.0 = 1.1%.

2H FY2026 Outlook

Outlook 2H 2026

MegaChem

Global Economy	• Continued expansion of AI and related technology sectors • US protectionist trade policies, geopolitical conflicts in the Middle-east • Stagflation concern => Global economy likely to remain fragile.
Chemical Industry	• Volatile feedstock prices and supply chain adds pressure to the industry • Demand visibility not clear
Megachem	• Correlation between the overall economy and Megachem's business • Any deterioration in economic conditions may dampen our growth outlook. => Diversify our supply sources and deepen our market coverage in Asia => Position ourselves within the specialty chemical space

Fragile Growth Outlook

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