



MUN SIONG ENGINEERING LIMITED

(Incorporated in the Singapore)

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GUIDANCE TO THE FINANCIAL PERFORMANCE AND POSITION OF THE GROUP FOR THE FIRST QUARTER ENDED 31 MARCH 2026

Mun Siong Engineering Limited (the “**Company**”), together with its subsidiaries and equity-accounted investee (the “**Group**”), wishes to provide guidance on its first quarter financial performance ended 31 March 2026.

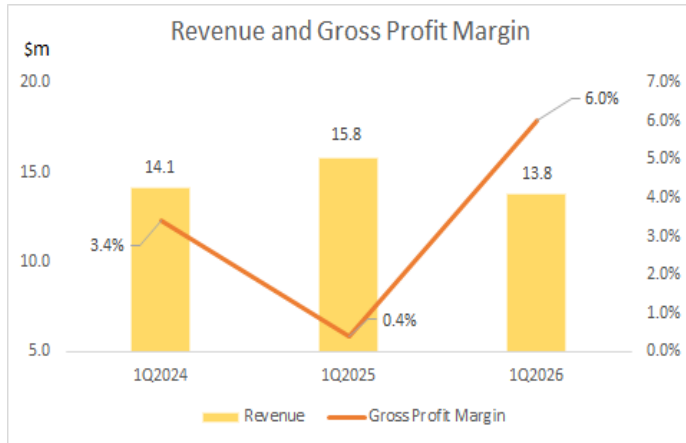
The Group had on 20 February 2020 announced that it will discontinue with quarterly reporting of the Company and the Group financial statements. The Company will now announce the financial statements of the Company and the Group on a half-yearly basis, in compliance with the amended listing rules, announced by the SGX-ST on 7 February 2020.

The Board of Directors would like to provide guidance on the Group’s financial performance and position in view of the current uncertain economic environment. This guidance is part of our continuous engagement between the Board of Directors and the various stakeholders such as shareholders, investors, business partners and employees.

It should be noted that the information below is based on the Group’s management accounts, and it was prepared on the accounting principles described in the Group’s Annual Report FY2025. The Group’s auditors, Messrs CLA Global TS Public Accounting Corporation, have not reviewed these management accounts and the guidance statement given below. The statement contained in the paragraph “Updates” and “Financial Performance and Position Guidance” should not be construed as a forward-looking statement relating to the Group’s future performance. In the event there are material changes in our business or the operating environment that we are working in, we will make the necessary announcement on the SGX-ST.

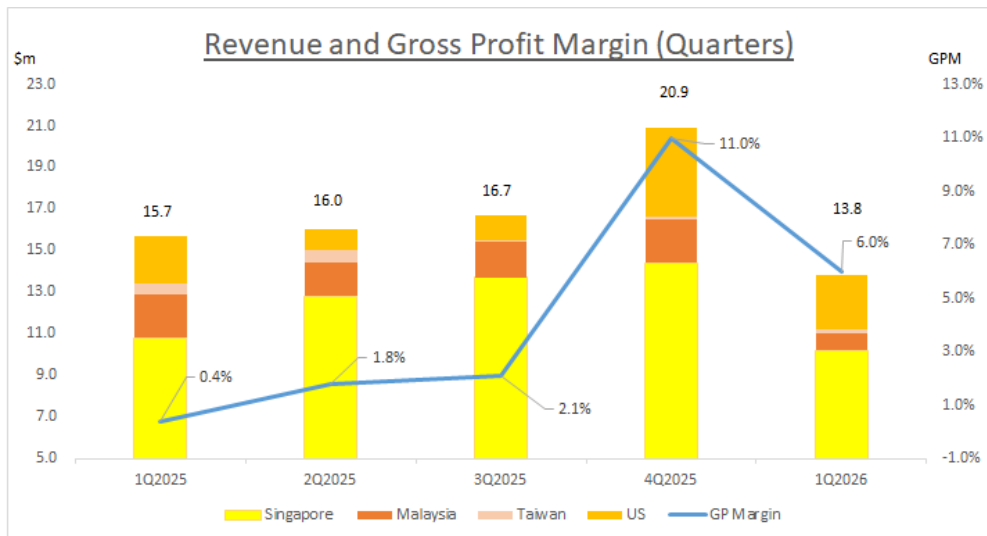
Shareholders and investors should consult their stockbrokers, bank managers, solicitors and other professional advisers if they have any doubt about the actions that they should take.

Review of Financial Performance



Summary of the Group Financial Performance:

Revenue	1Q2026	1Q2025	Variances	
	\$'000	\$'000	\$'000	%
Singapore	10,167	10,836	(669.0)	-6.2%
Taiwan	206	463	(257.0)	-55.5%
Malaysia	821	2,131	(1,310.0)	-61.5%
US	2,596	2,337	259.0	11.1%
Total Revenue	13,790	15,767	(1,977.0)	-12.5%
Cost of Sales	12,968	15,705	(2,737.0)	-17.4%
Gross Profit	822	62	760.0	-1225.8%
Gross Profit margin	6.0%	0.4%		



Period Ended 31 March 2026 ("1Q2026")

Revenue and Gross Profit Margin:

For the period under review, the Group achieved a revenue of \$13.8 million, a decrease of \$2.0 million or 12.5% against the corresponding quarter ended 31 March 2025 ("1Q2025"). The cost of sales also decreased by \$2.7 million or 17.4%. Gross profit margins for 1Q2026 and 1Q2025 were 6.0% and 0.4% respectively.

Singapore Operations:

The Singapore operations recorded revenue of \$10.2 million for 1Q2026, representing a decrease of \$0.6 million or 6.2% compared to \$10.8 million in the corresponding quarter. This decline was primarily attributable to (i) a cancellation of a scheduled Turnaround project by a business partner and (ii) reduced activity levels during the quarter.

Notwithstanding the lower revenue in the current quarter, both gross profit and gross profit margins improved significantly compared to the corresponding quarter. The enhancement in gross profit margins was primarily driven by higher productivity and more effective resource planning. Specifically, direct hired employees originally allocated to the cancelled project were redeployed to other assignments (jobs), thereby reducing reliance on subcontractors.

Taiwan Operations:

It achieved revenue of \$0.2 million in the current quarter as compared to \$0.5 million in the corresponding quarter. The decrease of \$0.3 million or 55.5% was due to fewer projects being executed in the current quarter. It continues to execute smaller dollar value jobs.

It recorded lower gross profits in the current quarter as compared to the corresponding quarter.

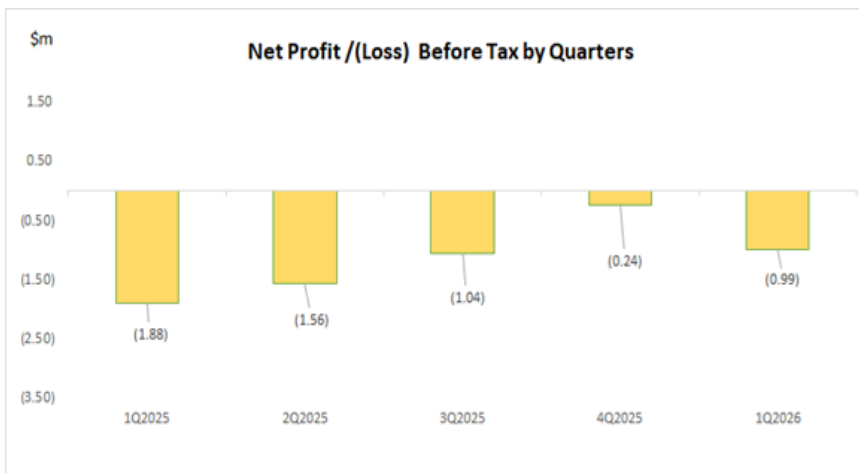
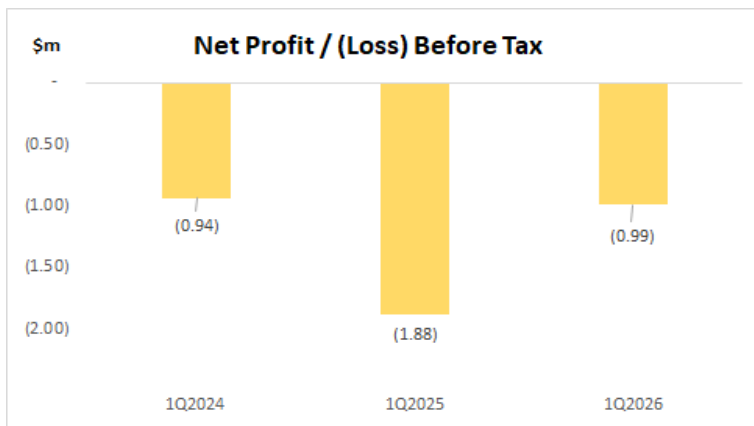
Malaysia Operations:

Revenue decreased by \$1.3 million or 61.5% to \$0.8 million in the current quarter. Our business partner (PRefchem) is preparing for its first maiden Turnaround project tentatively scheduled for the last quarter of 2026. In view of this, since the last quarter of 2025, it has been reducing its maintenance activities. Due to lower work volumes and reduced labour productivity, the Malaysia operations recorded higher gross loss during the period under review (1Q2025: gross loss incurred).

US Operations:

Revenues in 1Q2026 and 1Q2025 were \$2.6 million and \$2.3 million respectively, with the \$0.3 million or 11.1% increase in revenue due to an increase in work activities. The US operations executed shutdowns for two customers in March 2026, with a work scope that consisted mostly of industrial cleaning work. There was also significant increase in other industrial cleaning works. Furthermore, there were more fabrication and repair work activities in 1Q2026 as compared to 1Q2025. All these activities translate into more work volume and higher labour productivity. It generated gross profit in current quarter as compared to gross loss in the corresponding quarter.

Net profit /loss) before tax:



The administration costs in both periods 1Q2026 and 1Q2025 were stable and comparable at \$2.0 million.

Other income and recoveries of \$147,000 were recorded in the period under review (1Q2025: \$245,000). The decrease of \$98,000 or 40% was primarily due to lesser gain arising from disposal of fixed assets and scrap.

For the period under review, the Group incurred an exchange gain of \$77,000 as compared to an exchange loss of \$206,000 in the corresponding period.

The Group recorded a net loss before tax of \$1.0 million and \$1.9 million for 1Q2026 and 1Q2025 respectively. The improvements of \$0.9 million were due to

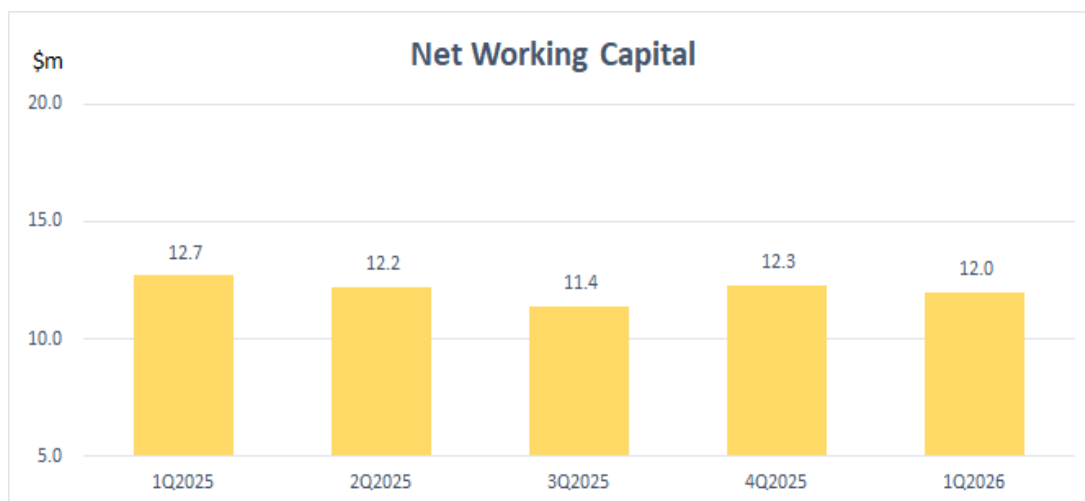
- The Singapore operations recorded higher gross profits in the current quarter as compared to corresponding quarter. Improved resource planning enabled greater productivity and reduced reliance on subcontractors. Although the Singapore Operations reported net operating losses in both quarters, these losses were significantly reduced by 62% in the current quarter.
- Current quarter work activities at the US operations consisted of shutdowns and cleaning work, though demand for fabrication and repair services remain robust during the period. With consistent work volumes across the quarter, we were able to reduce idle time, thus increasing productivity and profitability. US operations reported net operating profit in the current quarter as compared to a net operating loss in the corresponding quarter.

- In both quarters, the Malaysia Operations incurred net operating losses. However, the net operating losses were higher in the current quarter because of lower volume of work activities.
- Taiwan operations continued to be in net operating profit but achieved smaller net operating profit in the current quarter as compared to the corresponding quarter.

The Earnings Before Interest, Tax, Depreciation and Amortization (“EBITDA”) for 1Q2026 was negative \$0.2 million as compared to a negative EBITDA of \$1.0 million for 1Q2025. An improvement of \$0.8 million attributed to operation improvements, mostly from the Singapore and US operations.

Review of financial position of the Group as at 31 March 2026

As at 31 March 2026, the Group’s shareholders’ funds stood at \$40.8 million (31 December 2025: at \$41.8 million and 31 March 2025: at \$44.8 million). The net tangible assets per share as at 31 March 2026 were at 7.0 cents per share (31 December 2025: at 7.2 cents per share; 31 March 2025: at 7.7 cents per share). The decline in both the shareholders’ funds and net tangible assets per share were attributed to the operating losses incurred for the 3 months ended 31 March 2026.

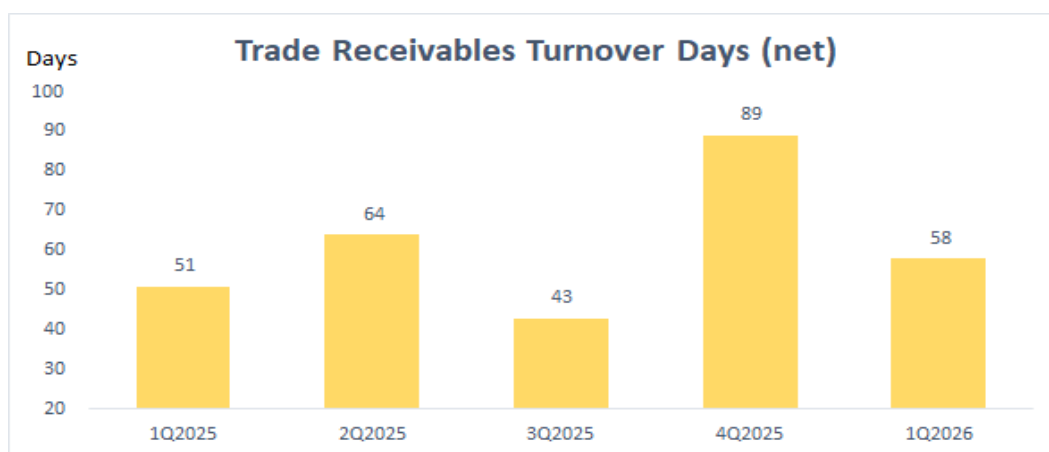


Net working capital (current assets less current liabilities) as at 31 March 2026 was \$12.0 million (31 December 2025: \$12.3 million; 31 March 2025: \$12.7 million). Comparing 31 March 2026 and 31 December 2025, the decline in net working capital was \$0.3 million or 2.4%. Please see table below for explanations:

Changes in net working capital between 31 March 2026 and 31 December 2025			
		\$'000	Explanations
Contract assets (net of impairment and contract liabilities)	↑	453	<p>The contract assets balances (net of impairment) as at 31 March 2026 and 31 December 2025 were \$8.7 million and \$8.3 million respectively. The increase of \$0.4 million was due to</p> <p>(i) Both the Singapore and US operations registered an increase in contract assets, amounting to \$1.3 million. These contract assets are for ongoing and completed jobs and awaiting approval of claims for billing purposes; and</p> <p>(ii) Malaysia operations saw a decline in contract assets of \$0.9 million, primarily due to lower claims for approval in the period under review.</p> <p>The impairment for contract assets remains unchanged at \$43,000.</p> <p>Contract liabilities at the end of the period were \$2.0 million (31 December 2025: \$2.1 million). The decline of \$0.1 million was due to recognition of revenue as work was performed in the period under review.</p>
Trade receivables	↓	(8,140)	The decrease was primarily due to the realization of trade receivables into cash.
Other receivables, deposits and prepayments	↑	580	The increase was mainly due to prepayments for renewal of insurance and advance payments for materials (to be used in jobs).
Bank and cash	↑	1,201	<p>Net cash inflow generated from operating activities of \$1.3 million and net cash outflow from financing activities of \$0.1 million.</p> <p>The net cash outflow from investing activities was \$48,000 as the Group did not significantly add nor dispose of fixed assets in the period under review.</p> <p>The cash outflow from financing activities was mostly due to the repayment of borrowings of \$0.1 million. The Group did not take on additional borrowings in the period under review.</p>
Trade and other payables and accruals	↓	(5,310)	The decrease was primarily due to timing of payments to vendors and lesser accrual of expenses due to lower volume of work activities.

Changes in net working capital between 31 March 2026 and 31 December 2025			
		\$'000	Explanations
Provisions	↓	(220)	<p>Due to a purchase order received by the Malaysia Operations for a scaffolding, insulation and painting (“SIP”) project which did not include the changes in scope of work and based on our revised projected costs then, we recognized the provision for onerous contract (foreseeable loss) of \$0.2 million in FY2025.</p> <p>The above project was completed in the period under review and the total actual losses recognized in the profit and loss were in line with the revised projected costs. Hence, the above-mentioned provision was no longer required and a reversal was made. We are now finalizing our claims and will be submitting them to the customer for approval.</p> <p>[Note: our accounting policy dictates costs must be recognized immediately when incurred and final revenue is recognized when the business partner agrees to the final billing value, ensuring no overstatement of revenue and profits]</p>
Borrowings (current liabilities)	↓	(104)	<p>The lower borrowings were mainly due to repayments. No new additional loans were obtained.</p> <p>The Interested Party Transaction (“IPT”) loan from executive director/controlling shareholder continues to be outstanding with balances of \$1.8 million at the end of the period.</p>
Others -net current assets	↓	(62)	The movements in the remaining current assets and current liabilities balances; individually they were not significant.
Net changes	↓	(334)	

Trade receivables as at 31 March 2026 were \$8.8 million (31 December 2025: \$17.0 million and 31 March 2025: \$8.9 million). As at 27 April 2026, the Group realized \$4.9 million or approximately 36.9% of its outstanding trade receivables as at 31 March 2026. No impairment was deemed necessary for the remaining outstanding trade receivables.



Trade receivables turnover continues to remain in the healthy range of 43 days to 89 days.

The bank and cash balances as at 31 March 2026 stood at \$13.1 million (31 December 2025: \$11.9 million and 31 March 2025: \$11.5 million). Refer to the above table for the explanation in the increase of cash balances of \$1.2 million between 31 March 2026 and 31 December 2025.

Total borrowings including lease liabilities as at 31 March 2026 were \$6.1 million (31 December 2025: \$6.1 million and 31 March 2025: \$5.9 million).

	As at 31-Mar-26 \$'000	As at 31-Dec-25 \$'000	As at 31-Mar-25 \$'000
Bank loans - Temporary Bridging loans (fully repaid in August 2025)	-	-	604
Working Capital loan (Short Term loan & Invoice Financing)	2,800	2,906	1,941
IPT Loan -working capital (including accrued interest)	1,863	1,848	1,823
Lease liabilities including hire purchase (secured)	1,440	1,381	1,494
	<u>6,103</u>	<u>6,135</u>	<u>5,862</u>
Gross Debt ratio	15.0%	14.7%	13.1%

As at 31 March 2026, the Interested Party Transaction Loans (“IPT loans”) remain outstanding at 1.8 million. The IPT loans were used for the Group’s working capital needs. The IPT loans comprise of SGD 1.5 million and RM 1.0 million (equivalent to SGD324,000) and bear interest rates at 2.80% pa and 3.00% pa respectively and will mature in May 2026.

Financial Performance and Position Guidance

The ongoing Middle East crisis continues to have a significant impact on oil and chemical refineries in Singapore. Some refineries (including our business partners) have reduced their operating run rates to manage limited feedstock availability. Coupled with elevated oil prices, these lower run rates further compress already thin processing margins. As a result, refineries are scaling back operating and capital expenditures, including the deferral of non-critical projects.

Our Singapore operations continue to work closely with business partners on scheduling, while monitoring and responding to developments in the Middle East. These circumstances have posed

challenges to resource planning, particularly given our lean direct employed workforce. Nevertheless, our sustained efforts over the past few years to multi-skill our employees are delivering positive outcomes. We are now better positioned to deploy personnel flexibly across multiple job sites and projects. In addition, our strategy of prioritising the utilisation of our own workforce before engaging subcontractors has enhanced labour productivity, contributing to improved profit margins during the period under review.

In view of the lower volume of work, our Malaysia operations have completed workforce alignment at the end of the period under review. Selected personnel will be temporarily deployed to Singapore Operations for training, in preparation for our business partner, PRefChem's maiden turnaround project, tentatively scheduled for the last quarter of 2026. To address potential uncertainties and execution challenges, experienced personnel from the Mun Siong Group will be deployed to provide technical guidance, project management, and operational support. In parallel, the Malaysia operations will continue to actively market its fabrication services.

Following the lifting of its suspension in December 2025, our Taiwan Branch has resumed participation in project opportunities. It is preparing to pursue projects expected to be released in the second half of 2026, with execution anticipated to commence in 2027. The reinstatement marks a key step in re-establishing our operational presence in Taiwan and positions the Group to participate in upcoming maintenance and turnaround activities.

In the United States, most oil refineries are less reliant on Middle East for feedstock, as they source domestically or from the North and South Americas. Our existing US customers have shown a growing confidence in our cleaning and fabrication capabilities, as evidenced by the early award of two shutdown projects currently being executed. We are also receiving increased enquiries and are actively engaging with potential clients for fabrication and cleaning jobs in the second half of 2026.

Across the Group, various measures have been implemented to mitigate rising fuel and energy costs arising from the crisis. While logistics costs are not a major component of the Group's cost structure, we remain vigilant given the pressure on margins. Transport planning has become increasingly critical to ensure efficient utilisation of our vehicle fleet. The recent increase in freight costs has had a limited impact on existing fabrication jobs, as most materials were delivered prior to the onset of the crisis. Going forward, any increase in material and transportation costs will be factored into pricing for new tenders and quotations.

Liquidity

The various quarters in FY2025 have seen our net working capital maintaining at a comparable level. Besides existing credit facilities from financial institutions, the financial support from our Chairlady, Madam Cheng Woei Fen continues to play an important role in bridging temporary working capital gaps and help to reduce interest cost.

Management continues to focus on seeking to improve returns on financial and human resource assets which directly impact financial profitability and stability.

By order of the Board

Cheng Woei Fen
Executive Chairlady

5 May 2026