



## **MUN SIONG ENGINEERING LIMITED**

(Incorporated in the Singapore)

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### **GUIDANCE TO THE FINANCIAL PERFORMANCE AND POSITION OF THE GROUP FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2025**

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Mun Siong Engineering Limited (the “**Company**”), together with its subsidiaries and equity-accounted investee (the “**Group**”), wishes to provide guidance on its third quarter financial performance ended 30 September 2025.

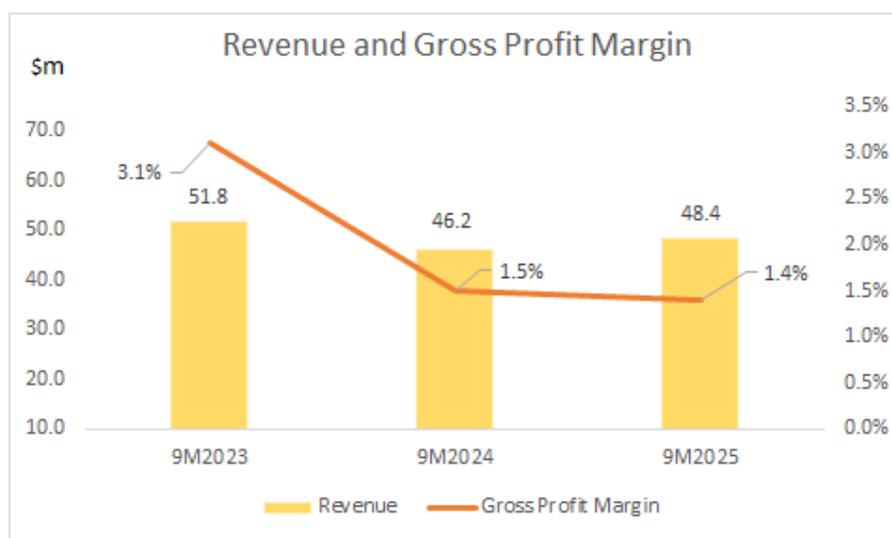
The Group had on 20 February 2020 announced that it will discontinue with quarterly reporting of the Company and the Group financial statements. The Company will now announce the financial statements of the Company and the Group on a half-yearly basis, in compliance with the amended listing rules, announced 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 FY2024. The Group’s proposed auditors for FY2025, CLA Global TS Public Accounting Corporation (their appointment subject to shareholders’ approval at the coming extraordinary general meeting on 14 November 2025), 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:

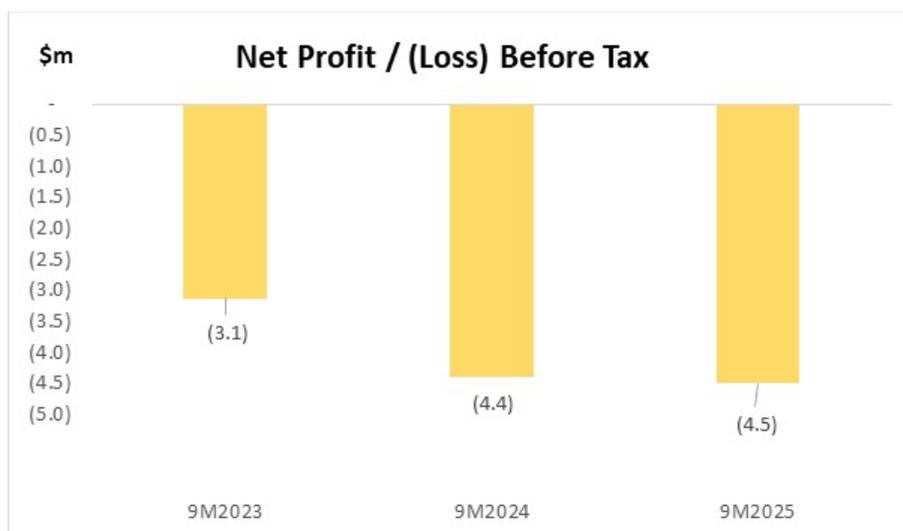
Revenue	3Q2025	3Q2024	Variances		9M2025	9M2024	Variances	
	\$ million	\$ million	\$ million	%			\$ million	\$ million
Singapore	13.7	13.2	0.5	3.8%	37.3	34.2	3.1	9.1%
Taiwan	0.1	0.5	(0.4)	-80.0%	1.2	1.2	-	0.0%
Malaysia	1.7	1.0	0.7	70.0%	5.4	5.1	0.3	5.9%
US	1.2	1.1	0.1	9.1%	4.5	5.7	(1.2)	-21.1%
Total Revenue	16.7	15.8	0.9	5.7%	48.4	46.2	2.2	4.8%
Cost of Sales	16.3	16.8	(0.5)	-3.0%	47.7	45.5	2.2	4.8%
Gross Profit	0.4	(1.0)	1.4	140.0%	0.7	0.70	(0.0)	0.0%
Gross Profit margin	2.1%	-6.0%			1.4%	1.5%		

### Period Ended 30 September 2025 ("9M2025")

#### *Revenue and Gross Profit Margin:*

For the period ended 30 September 2025 ("9M2025"), the Group achieved a revenue of \$48.4 million, an increase of \$2.2 million or 4.8% against the corresponding period ended 30 September 2024 ("9M2024"). Cost of sales also increased by 4.8%, in line with the increase in revenue. Gross profit margins for 9M2025 and 9M2024 were 1.4% and 1.5% respectively.

**Net profit / (loss) before tax:**



The administrative costs in 9M2025 and 9M2024 were \$5.5 million and \$5.4 million respectively.

Other income and recoveries of \$1.0 million were recorded in the period under review (9M2024: \$0.4 million). The increase in the current period was due to gain on disposal of fixed assets and recovery of past medical claims.

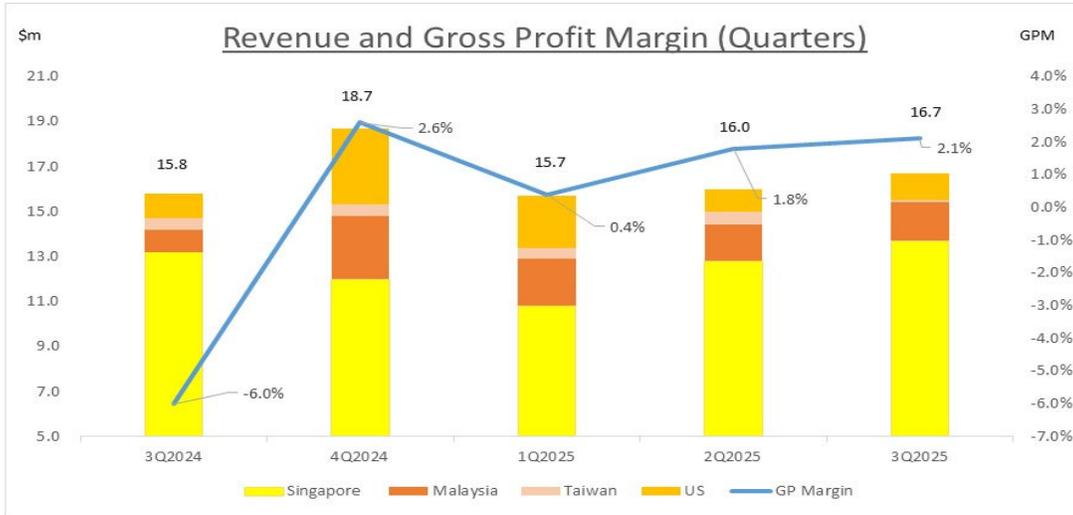
The Group incurred exchange losses in both periods due to strengthening of SGD against the USD. Exchange losses of \$0.7 million recorded in the current period as compared to \$0.2 million in the corresponding period. These exchange losses are mostly unrealized and arise from the Group's USD cash balances and foreign currency monetary balances (including intercompany balance) denominated in USD dollars.

Cumulatively, the Group recorded a net loss before tax of \$4.5 million and \$4.4 million for 9M2025 and 9M2024 respectively. The US operations contributed significantly to the net loss in the period under review.

- Although the Singapore operations incurred net losses in both periods, it was able to narrow its net losses by 80% in the current period due to higher revenue and improvement in gross profit margin as there were more work activities resulting in higher productivity efficiency.
- US operations reported gross losses in both periods (9 months period). The higher net loss in the current period (as compared to the corresponding period) was attributed to both lower revenue and tariffs (disruptions to supply chain and surge in raw materials prices).
- The Malaysia operations incurred net losses in both periods. The higher net loss in the current period was due to lower labour productivity as there was less volume of work in the current period due to PRefchem's Creditors Reliability Test ("CRT") [an operation test on the capabilities of the Pengerang facilities]. In 3Q2025, the Malaysia Operations was executing a Scaffolding, Insulation and Painting ("SIP"), which have lower profit margins. This SIP profit contribution could not offset the lower productivity labour.
- Taiwan operations registered net profit in the current period due to completion and finalization of certain projects. In the corresponding period, it was in a net loss position.

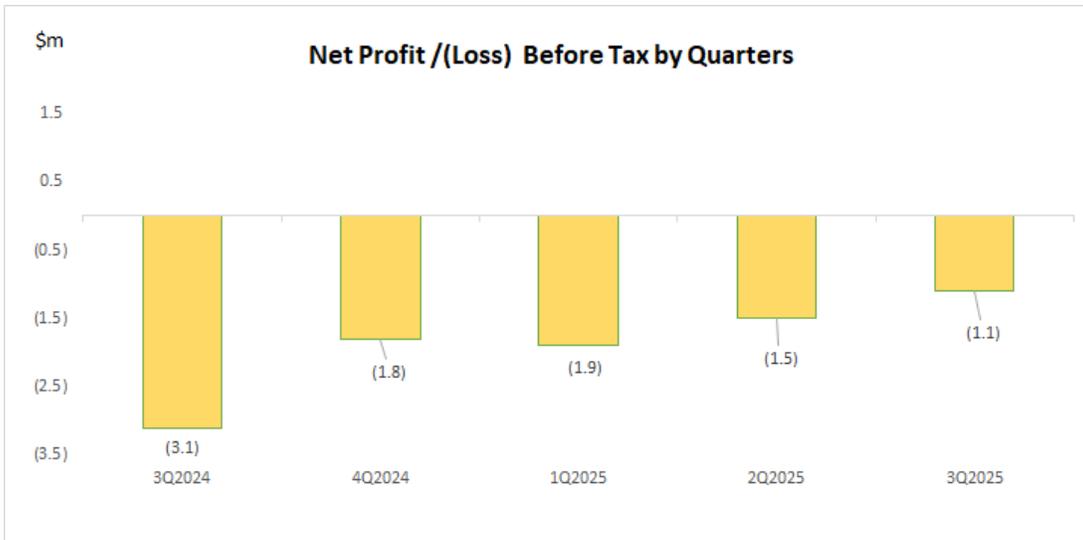
The Earnings Before Interest, Tax, Depreciation and Amortization (“EBITDA”) for 9M2025 was negative \$1.9 million as compared to a negative EBITDA of \$2.2 million for 9M2024. An improvement of \$0.3 million or 15.0% attributed to both the Singapore and Taiwan operations turning positive while the US operations remain negative.

**Third Quarter 2025 (“3Q2025”) Performance**



*Revenue and Gross Profit Margin:*

The Group recorded revenue of \$16.7 million in the third quarter of 2025 (“3Q2025”), an increase of \$0.9 million or 5.7% as compared to revenue of \$15.8 million in the third quarter of 2024 (“3Q2024”). The Group achieved a gross profit of \$0.4 million (GPM: 2.1%) in 3Q2025 as compared to incurring a gross loss of \$1.0 million (GPM: negative 6.0%) in 3Q2024. The improvement in the current gross profit and margin was due to higher revenue (more work activities) and improvement in labour productivity.



The administration expenses in both 3Q2025 and 3Q2024 were relatively stable at \$1.7 million. In the 3Q2025, the Group incurred an exchange gain of \$0.2 million as compared to an exchange loss of \$0.6 million in 3Q2024.

For 3Q2025, the Group incurred a net loss before tax of \$1.1 million (3Q2024: net loss before tax of \$3.1 million). Management continues to make changes to the operations to address challenges - low labour productivity and low volume of work – to improve operating performance and these initiatives have reduced operating losses.

#### **Review and Updates by Operations:**

##### Singapore Operations:

It registered revenue of \$13.7 million in 3Q2025, an increase in revenue of \$0.5 million or 3.8% against the corresponding quarter. The increase was due to more work activities. Gross profit was higher in the current quarter compared to the corresponding quarter due to improvement in productivity efficiency. Gross profit margin improved by 2.6% in the current quarter.

##### Malaysia Operations:

Revenue increased by \$0.7 million or 70.0% to \$1.7 million in the current quarter. The increase in revenue was due to execution of the SIP as mentioned earlier. This SIP is outside the CRT testing area. Arising from low labour deployment in the quarter reported (PRefchem carrying out the CRT test – this test was completed by end September 2025), the Malaysia operations incurred a marginal gross loss. The higher gross loss in 3Q2024 as compared to 3Q2025 was due to timing of recognition of revenue as per our guidance announcement dated 12 November 2024.

##### Taiwan Operations:

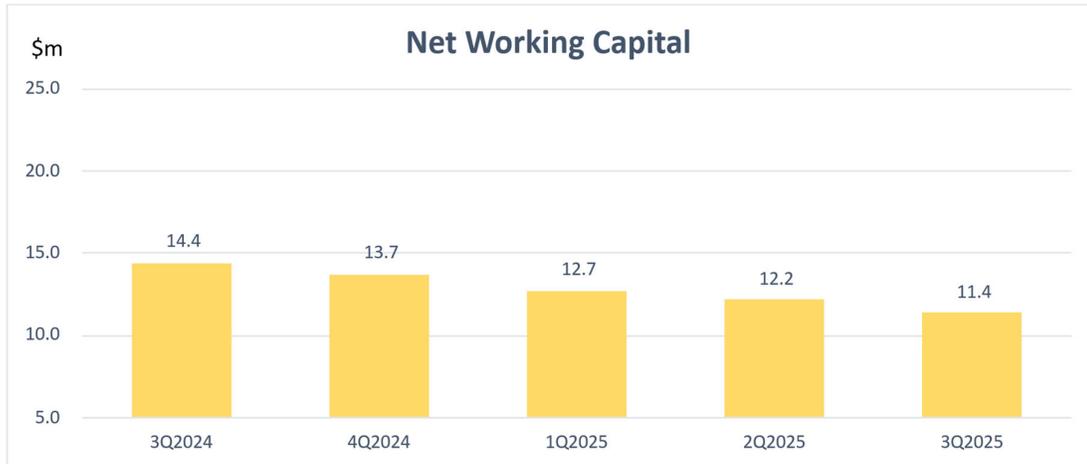
It achieved revenue of \$0.1 million in the current quarter as compared to \$0.5 million in the corresponding quarter. The decrease of \$0.4 million or 80.0% was due to fewer projects being executed in the current quarter. It registered gross loss in the current quarter as compared to a gross profit in the corresponding quarter due to lower productivity efficiency. It continues to execute smaller dollar value jobs.

##### US Operations:

The revenues in 3Q2025 and 3Q2024 were \$1.2 million and \$1.1 million respectively. It incurred gross losses in both quarters but the gross loss was lower in the current quarter due to absence of one-off expenses of \$0.4 million incurred in 3Q2024. These expenses relate to the reorganization of workflow and enhancement to the wastewater treatment systems.

### **Review of financial position of the Group as at 30 September 2025**

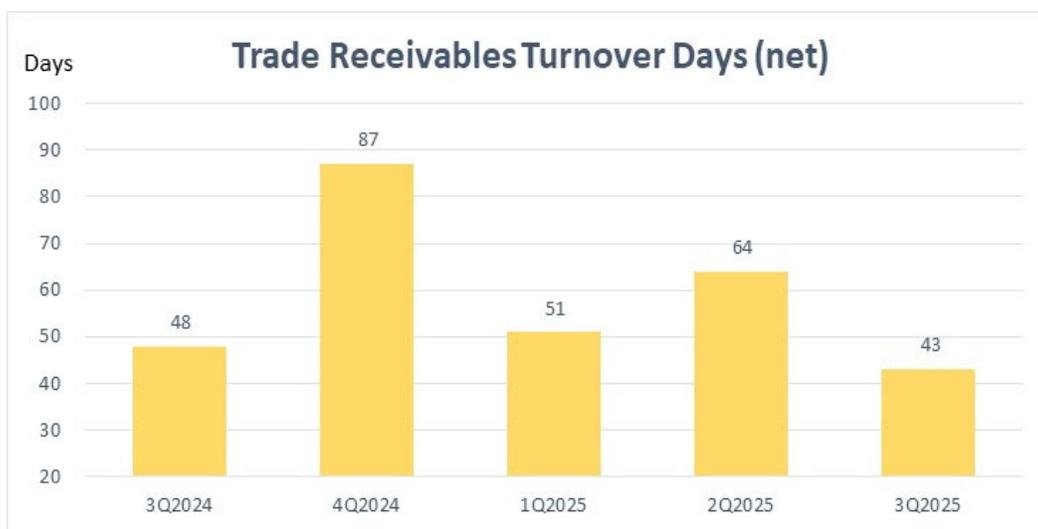
As at 30 September 2025, the Group's shareholders' funds stood at \$42.3 million (31 December 2024: at \$46.6 million and 30 September 2024: at \$47.7 million). The net tangible assets per share as at 30 September 2025 was at 7.3 cents per share (31 December 2024: at 8.0 cents per share; 30 September 2024: at 8.2 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 9 months ended 30 September 2025.



Net working capital (current assets less current liabilities) as at 30 September 2025 was \$11.4 million (31 December 2024: \$13.7 million; 30 September 2024: \$14.4million). Compared to 30 September 2025 and 31 December 2024, the decline in net working capital was \$2.3 million or 16.5%. Please see table for explanations:

Changes in net working capital between 30 September 2025 and 31 December 2024			
		\$' million	Explanations
Contract assets (net of impairment and contract liabilities)	↑	2.8	<p>In the period under review, the increase of \$3.8 million was due to more job activities in Singapore, US and Taiwan operations, for both ongoing and completed jobs (awaiting approval of claims for billing purposes). Contract liabilities at the end of the period were \$0.5 million (31 December 2025: \$0.1 million).</p> <p>The above increase was offset by a decrease in contract assets of \$0.8 million in the Malaysia operations due to increase in billings for past completed work orders. We continue to engage with this business partner to expedite the approval process for the remaining completed job orders. The net contract assets for the Malaysia operations in the period under review constitute 27.7% (31 December 2024: 46.4%) of the total net contract asset balances.</p>
Trade receivables	↓	(7.8)	The decrease was due to the realisation of trade receivables into cash.
Other receivables, deposits and prepayments	↑	0.4	The increase in the period under review was due to increase in retention sum for certain completed jobs in Taiwan and prepayments/advance payments for materials (to be used in jobs).
Bank and cash	↑	1.5	<p>Cash inflow arising from net operating activities of \$5.0 million and cash outflow from net financing activities of \$4.0 million. Exchange rate fluctuation of \$0.5 million.</p> <p>The additions of fixed assets of \$0.8 million offset by the sales proceeds of \$0.8 million, resulting in a negligible balance in net investment activities.</p> <p>The cash outflow from financing activities includes the bank loan repayments of \$4.8 million offset by additional working capital loan of \$1.0 million in the period under review.</p>
Trade and other payables and accruals	↑	3.0	The increase of \$3.0 million was due to more work activities resulting in more trade payables and accrual of expenses recognized in the period under review and timing of payments to suppliers.
Borrowings (current liabilities)	↓	(3.8)	<p>The lower borrowings were due to repayments.</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>
Net changes	↓	(2.3)	

Trade receivables as at 30 September 2025 were \$7.6 million (31 December 2024: \$15.4 million and 30 September 2024: \$8.0 million). As at 27 October 2025, the Group realized \$3.7 million or approximately 48.1% of its outstanding trade receivables as at 30 September 2025. No impairment was deemed necessary for the remaining outstanding trade receivables.



Trade receivables turnover continues to remain in the healthy range of 40 days to 70 days.

The bank and cash balances as at 30 September 2025 stood at \$11.8 million (31 December 2024: \$10.3 million and 30 September 2024: \$8.1million). Refer to the above table for the explanation in the increase of cash balances of \$1.5 million between 30 September 2025 and 31 December 2024.

Total borrowings including lease liabilities as at 30 September 2025 were \$3.5 million (31 December 2024: \$7.5 million and 30 September 2024: \$4.7 million).

	As at 30-Sept-25 \$'000	As at 31-Dec-24 \$'000	As at 30-Sept-24 \$'000
Bank loans - Temporary Bridging loans (fully repaid in August 2025)	-	926	1,246
Working Capital loan (Short Term loan & Invoice Financing)	275	3,172	-
IPT Loan -working capital	1,824	1,808	1,817
Lease liabilities including hire purchase (secured)	1,423	1,547	1,587
	3,522	7,453	4,650
Gross Debt ratio	8.3%	16.0%	9.7%

The Temporary Bridging Loan (“TBL”) with a tenor of 5 years, which was part of the Singapore government support given to local enterprises in response to the Covid-19 pandemic, was fully repaid in the period under review.

As at 30 September 2025, 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**

In Singapore, the operating environment remains challenging as the oil refineries continue to face subdued oil demand and narrowing processing margins. Consequently, a few of our key business partners have scaled back on their operating and capital expenditure budgets. Our Singapore operations, continue to face pressure from thin margins due to tight labour availability and elevated subcontracting costs. During the period under review, our Singapore operations encountered scheduling challenges as some business partners deferred committed projects from the second half of 2025 to 2026. Our existing flexible manpower deployment model was able to mitigate this impact, as we were able to reallocate labour resources across various sites and projects to maintain productivity and cost efficiency. We will also continue to engage subcontractors to bridge any manpower gap. With the increasing training cost imposed on re-training our work crew every two years for their skill competencies, we are setting up our training center at our Malaysia workshop facilities. There will be a set-up cost in the range of \$100,000 to \$200,000 to facilitate such service to be provided for our workers training.

Malaysia operations continue to experience low work activity levels as PRefchem is currently assessing the results of the 3-month CRT test which concluded by September 2025. In the meantime, we secured two new customers for whom we are executing small-dollar value fabrication work orders. These initial projects serve as capability assessments and provide marketing opportunities for us.

Over the past three years, our wholly owned Taiwan subsidiary, Pegasus Advance Industrial Company Ltd (“PAI”), has been actively executing small dollar value projects to maintain market presence and customer relationships. With the Taiwan Branch’s three-year suspension ending in December 2025, PAI will be positioned to leverage the Branch’s past execution track record to jointly tender for projects from 2026 onwards. In addition, we are exploring opportunities to expand into Electrical and Instrumentation services in non-oil and gas sectors to further diversify our revenue base.

The U.S. operations is currently executing a major Turnaround project for an existing customer with a processing capacity of 450,000 barrels per day, which is expected to be completed by mid-November 2025. The same customer has awarded a subsequent shutdown project scheduled for the first half of 2026. In addition, two new business partners, with operating capacities of 350,000 and 190,000 barrels per day respectively, have recently pre-qualified Pegasus Industrial Midwest LLC. We are in discussion for a potential Spring Turnaround project in 2026. These discussions are at preliminary stage and business partners have the discretion to delay the award/execution of orders/contracts. Also, the award of jobs/orders is dependent on both economic factors and maintenance cycle of the plants/facilities.

### FY2025 Performance Update

For FY2025, the Group anticipates reporting an operating loss, reflecting the continued impact of a challenging operating environment and project execution timing. The cumulative operating loss was approximately \$4.5 million for the first nine months of 2025. The operating losses for FY2024 was \$6.2 million.

In addition, several variation orders are currently under discussion with business partners. Subject to their approval, these are expected to contribute positively to the Group's performance.

The Group's performance guidance, provided on a voluntary basis, is derived from financial statements prepared for management purposes in accordance with accounting policies consistent with those adopted in the latest annual report. These figures have not been reviewed or audited by the external auditors.

### Liquidity and Financial Position

As previously highlighted in both the 1HFY2025 financial statement announcement (dated 7 August 2025) and the FY2024 financial statement announcement (dated 27 February 2025), the Group continues to operate within a tight working capital environment in the coming periods.

The Group is actively managing liquidity through disciplined cash flow controls, project recovery efforts, and close engagement with clients to expedite approvals of claims, billings and collections. In addition, financial support from the Chairlady, Ms. Cheng Woei Fen, remains an important measure in bridging temporary working capital gaps and supporting ongoing operations.

Management remains committed on strengthening operational efficiency, improving cash conversion, and positioning the Group for a more sustainable performance in the upcoming financial periods.

### **By order of the Board**

Cheng Woei Fen  
Executive Chairlady

5 November 2025