



**MEGACHEM LIMITED**

**Condensed Interim Financial  
Statements**

**For The Half Year Ended  
30 June 2025**

This announcement has been reviewed by the Company's Sponsor, SAC Capital Private Limited (the "Sponsor").

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**CONDENSED INTERIM FINANCIAL STATEMENTS  
AS AT AND FOR THE HALF YEAR ENDED 30 JUNE 2025**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED  
30 JUNE 2025**

		Unaudited For the half year ended 30 June 2025 S\$	Unaudited For the half year ended 30 June 2024 S\$	Variance Favourable/(Unfavourable)	
	Note			S\$	%
<b>Revenue</b>	3	64,073,329	65,175,452	(1,102,123)	(1.7%)
Cost of sales		<u>(48,006,111)</u>	<u>(49,672,630)</u>	1,666,519	3.4%
<b>Gross profit</b>		16,067,218	15,502,822	564,396	3.6%
Other income	4	268,969	5,394,617	(5,125,648)	(95.0%)
Distribution costs		(9,111,195)	(12,879,885)	3,768,690	29.3%
Administrative expenses		(3,226,520)	(3,156,426)	(70,094)	(2.2%)
Other operating expenses		(1,936,246)	(1,668,427)	(267,819)	(16.1%)
Finance costs	5	(738,724)	(999,133)	260,409	26.1%
Share of profit of associates		739,280	727,567	11,713	1.6%
<b>Profit before income tax</b>	6	<u>2,062,782</u>	<u>2,921,135</u>	(858,353)	(29.4%)
Income tax expense	7	<u>(344,339)</u>	<u>(937,799)</u>	593,460	63.3%
<b>Net profit</b>		<u>1,718,443</u>	<u>1,983,336</u>	(264,893)	(13.4%)
<b>Other comprehensive income:</b>					
Exchange differences on translating foreign operations, net of tax		<u>(1,049,341)</u>	<u>(213,916)</u>	(835,425)	(> 100.0%)
<b>Total comprehensive income</b>		<u>669,102</u>	<u>1,769,420</u>	(1,100,318)	(62.2%)
Net profit/(loss) attributable to:					
Equity holders of the Company		1,684,415	1,999,749	(315,334)	(15.8%)
Non-controlling interests		<u>34,028</u>	<u>(16,413)</u>	50,441	> 100.0%
<b>Net profit</b>		<u>1,718,443</u>	<u>1,983,336</u>	(264,893)	(13.4%)
Total comprehensive income/(loss) attributable to:					
Equity holders of the Company		725,633	1,727,039	(1,001,406)	(58.0%)
Non-controlling interests		<u>(56,531)</u>	<u>42,381</u>	(98,912)	(> 100.0%)
<b>Total comprehensive income</b>		<u>669,102</u>	<u>1,769,420</u>	(1,100,318)	(62.2%)
Earnings per share of profit attributable to equity holders of the Company					
- basic and diluted	9	<u>1.26 cents</u>	<u>1.50 cents</u>	(0.24 cents)	(16.0%)

## STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2025

		Group		Company	
		Unaudited 30 June 2025 S\$	Audited 31 December 2024 S\$	Unaudited 30 June 2025 S\$	Audited 31 December 2024 S\$
Note					
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	11	22,679,158	16,815,300	9,363,820	3,525,741
Right-of-use assets	12	2,191,943	2,341,082	957,292	974,087
Investment property	13	54,121	55,891	-	-
Investments in subsidiaries		-	-	7,936,563	7,936,563
Investments in associates		9,563,239	9,352,224	2,798,756	2,798,756
Financial assets at fair value through other comprehensive income	17	1,351,100	1,351,100	1,351,100	1,351,100
Transferable club memberships		25,114	25,245	4,001	4,001
Other receivables		-	-	-	-
Deferred tax assets		893,517	925,283	369,000	369,000
		<u>36,758,192</u>	<u>30,866,125</u>	<u>22,780,532</u>	<u>16,959,248</u>
<b>Current assets</b>					
Inventories	14	28,563,909	31,742,578	13,379,237	15,514,618
Trade and other receivables	15	24,508,521	23,279,044	15,405,737	15,479,990
Financial assets at fair value through profit or loss	16	6,414	44,923	-	-
Other current assets		3,089,390	2,624,877	1,007,167	583,672
Cash and bank balances		14,187,418	15,968,531	2,525,616	2,013,090
		<u>70,355,652</u>	<u>73,659,953</u>	<u>32,317,757</u>	<u>33,591,370</u>
<b>Total assets</b>		<u>107,113,844</u>	<u>104,526,078</u>	<u>55,098,289</u>	<u>50,550,618</u>
<b>EQUITY AND LIABILITIES</b>					
<b>Capital and reserves attributable to equity holders of the Company</b>					
Share capital	18	15,892,028	15,892,028	15,892,028	15,892,028
Other reserves		(7,220,793)	(6,262,011)	-	-
Retained earnings		49,936,291	48,918,376	6,085,773	5,335,778
		58,607,526	58,548,393	21,977,801	21,227,806
Non-controlling interests		1,695,952	1,945,289	-	-
<b>Total equity</b>		<u>60,303,478</u>	<u>60,493,682</u>	<u>21,977,801</u>	<u>21,227,806</u>
<b>Non-current liabilities</b>					
Borrowings	19	5,350,000	-	5,350,000	-
Financial liabilities - lease liabilities		2,614,331	2,745,445	1,398,691	1,473,851
Deferred tax liabilities		505,170	455,000	406,000	406,000
		<u>8,469,501</u>	<u>3,200,445</u>	<u>7,154,691</u>	<u>1,879,851</u>
<b>Current liabilities</b>					
Current income tax liabilities		155,831	272,060	60,333	14,000
Trade and other payables	20	14,200,077	14,948,138	8,874,011	7,933,984
Borrowings	19	23,642,096	25,240,718	16,883,331	19,350,617
Financial liabilities - lease liabilities		310,237	362,351	148,122	143,793
Financial liabilities at fair value through profit or loss	21	32,624	8,684	-	567
		<u>38,340,865</u>	<u>40,831,951</u>	<u>25,965,797</u>	<u>27,442,961</u>
<b>Total liabilities</b>		<u>46,810,366</u>	<u>44,032,396</u>	<u>33,120,488</u>	<u>29,322,812</u>
<b>Total equity and liabilities</b>		107,113,844	104,526,078	55,098,289	50,550,618

## STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 30 JUNE 2025

		Attributable to equity holders of the Company					
<u>The Group</u>	Note	Total equity S\$	Parent Sub-total S\$	Share capital S\$	Other reserves S\$	Retained earnings S\$	Non-controlling interests S\$
Current year :							
<b>Opening balance at 1 January 2025 <sup>(*)</sup></b>		60,493,682	58,548,393	15,892,028	(6,262,011)	48,918,376	1,945,289
Total comprehensive income for the reporting period		669,102	725,633	-	(958,782)	1,684,415	(56,531)
Final dividend relating to 2024 paid	8	(666,500)	(666,500)	-	-	(666,500)	-
Interim dividend relating to 2025 paid to non-controlling interests		(192,806)	-	-	-	-	(192,806)
<b>Closing balance at 30 June 2025 <sup>(#)</sup></b>		<b>60,303,478</b>	<b>58,607,526</b>	<b>15,892,028</b>	<b>(7,220,793)</b>	<b>49,936,291</b>	<b>1,695,952</b>
Previous year :							
<b>Opening balance at 1 January 2024 <sup>(*)</sup></b>		53,159,187	49,962,298	15,892,028	(7,717,643)	41,787,913	3,196,889
Total comprehensive income for the reporting period		1,769,420	1,727,039	-	(272,710)	1,999,749	42,381
Acquisition of equity shares from non-controlling interests		(393,415)	(61,083)	-	-	(61,083)	(332,332)
<b>Closing balance at 30 June 2024 <sup>(#)</sup></b>		<b>54,535,192</b>	<b>51,628,254</b>	<b>15,892,028</b>	<b>(7,990,353)</b>	<b>43,726,579</b>	<b>2,906,938</b>

  

	Note	Total equity S\$	Share capital S\$	Retained earnings S\$
<u>The Company</u>				
Current year :				
<b>Opening balance at 1 January 2025 <sup>(*)</sup></b>		21,227,806	15,892,028	5,335,778
Total comprehensive income for the reporting period		1,416,495	-	1,416,495
Final dividend relating to 2024 paid		(666,500)	-	(666,500)
<b>Closing balance at 30 June 2025 <sup>(#)</sup></b>		<b>21,977,801</b>	<b>15,892,028</b>	<b>6,085,773</b>
Previous year :				
<b>Opening balance at 1 January 2024 <sup>(*)</sup></b>		16,190,567	15,892,028	298,539
Total comprehensive income for the reporting period		943,015	-	943,015
<b>Closing balance at 30 June 2024 <sup>(#)</sup></b>		<b>17,133,582</b>	<b>15,892,028</b>	<b>1,241,554</b>

Note :  
(\*) Audited balances  
(#) Unaudited balances

# CONSOLIDATED STATEMENT OF CASHFLOWS FOR THE HALF YEAR ENDED 30 JUNE 2025

	Unaudited For the half year ended 30 June 2025 S\$	Unaudited For the half year ended 30 June 2024 S\$
<b>Cash flows from operating activities</b>		
Net profit before tax	2,062,782	2,921,135
Adjustments for:		
Depreciation of property, plant and equipment and investment property	513,098	459,249
Depreciation of right-of-use assets	147,885	175,730
Finance costs	738,724	999,133
Gain on disposal of property, plant and equipment	(8,783)	(26,400)
Interest income from banks	(88,928)	(46,775)
Share of profit of associates	(739,280)	(727,567)
Changes in fair value of financial assets at fair value through profit or loss	(6,316)	(6,806)
Changes in fair value of financial liabilities at fair value through profit or loss	32,126	10,598
Operating cash flows before working capital changes	2,651,308	3,758,297
Change in operating assets and liabilities :		
Trade and other receivables	(1,743,384)	(217,402)
Other current assets	(358,313)	(2,549,783)
Inventories	2,574,343	2,397,561
Trade and other payables	(641,775)	(953,091)
Foreign exchange adjustment differences	608,458	(306,604)
Cash from operations	3,090,637	2,128,978
Income tax paid	(552,451)	(104,541)
Interest received	88,928	46,775
<b>Net cash from operating activities</b>	<b>2,627,114</b>	<b>2,071,212</b>
<b>Cash flows used in investing activities</b>		
Dividends received from associates	397,491	374,648
Purchase of equity shares from non-controlling interest	-	(393,415)
Purchase of property, plant and equipment	(6,457,221)	(374,029)
Proceeds from sale of property, plant and equipment	8,979	30,389
<b>Net cash used in investing activities</b>	<b>(6,050,751)</b>	<b>(362,407)</b>
<b>Cash flows from/(used in) financing activities</b>		
Dividends paid	(666,500)	-
Dividends paid by subsidiary to non-controlling interests	(192,806)	-
Proceeds from/(repayments of) long term bank loans	5,350,000	(250,000)
(Repayments of)/proceeds from bills payables	(867,866)	2,954,146
Repayments of short term bank loans	(91,186)	(3,617,485)
Lease liabilities paid	(262,210)	(238,994)
Interest paid	(703,827)	(918,956)
<b>Cash flows from/(used in) financing activities</b>	<b>2,565,605</b>	<b>(2,071,289)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(858,032)</b>	<b>(362,484)</b>
Cash and cash equivalents, statement of cash flow, beginning balance	15,291,384	13,024,005
Effects of exchange rate changes on cash and cash equivalents	(406,005)	74,588
<b>Cash and cash equivalents, statement of cash flow, ending balance</b>	<b>14,027,347</b>	<b>12,736,109</b>
Cash and cash equivalents comprised the followings:		
Cash and bank balances	14,187,418	13,332,000
Less: bank overdraft	(160,071)	(595,891)
	14,027,347	12,736,109

## SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

### 1.1 General

Megachem Limited (the “Company”) is incorporated in Singapore with limited liability. The condensed interim financial statements as at and for the half year ended 30 June 2025 financial statements are presented in Singapore dollars and they cover the Company (referred to as “Parent”) and its subsidiaries and associated companies (collectively, the “Group”).

The principal activities of the Company and the Group consist of trading in chemicals and chemical-related products, contract manufacturing of chemicals and investment holding.

### 1.2 Statement of compliance with financial reporting standards

The condensed interim financial statements for the half year ended 30 June 2025 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 annual financial statements for the year ended 31 December 2024.

Except as disclosed in Note 1.5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as those of the audited financial statements for the financial year ended 31 December 2024.

### 1.3 Accounting convention

The condensed interim financial statements are prepared on a going concern basis under the historical cost convention except where a financial reporting standard requires an alternative treatment (such as fair values) as disclosed where appropriate in the condensed interim financial statements.

### 1.4 Basis of preparation of the condensed interim financial statements

The preparation of the condensed interim financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at 30 June 2025 and the reported amounts of revenues and expenses for the half year ended 30 June 2025. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

### 1.5 Changes and adoption of financial reporting standards

On 1 January 2025, the Group adopted the new and revised SFRS(I) and the related Interpretations to SFRS(I)s (“SFRS(I) INT”) that are relevant to its operations and mandatory for application from that date. Changes to the Group’s accounting policies have been made as required, in accordance with the relevant transitional provisions in the respective SFRS(I) and SFRS(I) INT.

The adoption of the new and revised SFRS(I) has no material impact on the Group’s financial statements.

### 2.1 Critical judgements, assumptions and estimation uncertainties

Apart from those involving estimations, management has made critical judgements in the process of applying the entity’s accounting policies. The areas requiring management’s subjective or complex judgements, or areas where key assumptions concerning the future and key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities currently or within the next reporting period are as follows:

## SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (cont'd)

### 2.1 Critical judgements, assumptions and estimation uncertainties (cont'd)

- (i) Net realisable value of inventories
- (ii) Expected credit loss allowance on trade receivables
- (iii) Measurement of impairment of subsidiary or associate
- (iv) Income tax amounts
- (v) Valuation of financial assets at fair value through other comprehensive income

### 2.2 Fair value measurement

When measuring the fair value of an asset or a liability, market observable data to the extent possible is used. If the fair value of an asset or a liability is not directly observable, an estimate is made using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. Inputs used are consistent with the characteristics of the asset / liability that market participants would take into account.

Fair values are categorised into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety. Transfers between levels of the fair value hierarchy are recognised at the end of the reporting period during which the change occurred.

### 3. Revenue

	Group Unaudited half year ended 30 June	
	<u>2025</u> S\$	<u>2024</u> S\$
Sale of goods	62,420,981	63,491,906
Rendering of services	1,652,348	1,683,546
Total sales	<u>64,073,329</u>	<u>65,175,452</u>

#### (i) Disaggregation of revenue

The segment in Singapore derives revenue from sales of goods and blending services. The following table set out the Group's revenue disaggregated by primary geographical markets and secondary business segment. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable geographical segment (Note 26).

	Sales of goods Unaudited half year ended 30 June		Rendering of services Unaudited half year ended 30 June	
	<u>2025</u> S\$	<u>2024</u> S\$	<u>2025</u> S\$	<u>2024</u> S\$
<b>Group</b>				
<b>Primary geographical markets</b>				
Singapore	22,631,226	25,176,491	1,652,348	1,683,546
Rest of geographical areas	39,789,755	38,315,415	—	—
Total sales	<u>62,420,981</u>	<u>63,491,906</u>	<u>1,652,348</u>	<u>1,683,546</u>

#### (ii) Seasonality of operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.



## SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (cont'd)

### 4. Other income

	Group	
	Unaudited half year ended	
	<u>30 June</u>	
	<u>2025</u>	<u>2024</u>
	S\$	S\$
Trade receivables recovered	49,523	63,732
Changes in fair value of financial assets at fair value through profit or loss – forward foreign exchange contract	6,316	6,806
Gain on disposal of property, plant and equipment	8,783	26,400
Government grant	87,566	2,447
Interest income – banks	88,928	46,775
Insurance claims	20,217	5,241,276
Rental income	7,636	7,181
Total other income	<u>268,969</u>	<u>5,394,617</u>

### 5. Finance costs

	Group	
	Unaudited half year ended	
	<u>30 June</u>	
	<u>2025</u>	<u>2024</u>
	S\$	S\$
Interest expense		
- Bills payable to banks	434,440	513,930
- Bank loans	211,996	389,620
- Bank overdraft	11,796	17,080
- Finance leases	15,527	10,772
- Lease liabilities	64,965	67,731
Total finance costs	<u>738,724</u>	<u>999,133</u>

### 6. Profit before income tax

The following items have been included in arriving at profit for the year:

	Group	
	Unaudited half year ended	
	<u>30 June</u>	
	<u>2025</u>	<u>2024</u>
	S\$	S\$
Cost of inventories	45,472,568	47,153,968
Changes in fair value of financial liabilities at fair value through profit or loss	32,126	10,598
Demolition and decontamination costs	-	1,030,772
Depreciation of investment property	1,431	1,345
Depreciation of property, plant and equipment	511,667	457,904
Depreciation of right-of-use assets	147,885	175,730
Employee compensation	9,059,087	8,895,798
Impairment of trade receivables	20,545	54,395
Inventories written down	640,703	895,428
Net foreign exchange translation losses	320,418	148,662
Waste disposal charges	3,407	2,775,053
Warehouse storage charges	<u>1,770,039</u>	<u>1,666,341</u>

## SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (cont'd)

### 7. Income tax expense

	Group	
	Unaudited half year ended	
	30 June	
	2025	2024
	S\$	S\$
Current period:		
Current tax expense	366,997	955,808
Deferred tax expense	81,584	17,231
Sub-total	448,581	973,039
Prior periods:		
Over adjustments for current tax expense	(103,666)	(2,304)
Over adjustments for deferred tax expense	(576)	(32,936)
Sub-total	(104,242)	(35,240)
Total income tax expense	344,339	937,799

### 8. Dividends

	Group and Company	
	Unaudited half year ended	
	30 June	
	2025	2024
	S\$	S\$
Final tax exempt dividend paid of 0.5 cents per share (30 June 2024: Nil cents per share) in respect of previous year end	666,500	-

### 9. Earnings per ordinary share (in cents)

	Group	
	Unaudited half year ended	
	30 June	
	2025	2024
a) Based on weighted average number of ordinary shares on issue	1.26	1.50
b) On a fully diluted basis	1.26	1.50
Weighted average number of ordinary shares in issue for earnings per share	133,300,000	133,300,000

### 10. Net asset value per ordinary share based on issued share capital (in cents)

	Group		Company	
	Unaudited	Audited	Unaudited	Audited
	30 June	31 December	30 June	31 December
	2025	2024	2025	2024
Net asset value per ordinary share based on issued share capital (cents)	43.97	43.92	16.49	15.92
No of ordinary shares used in calculation	133,300,000	133,300,000	133,300,000	133,300,000

## SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (cont'd)

### 11. Property, plant and equipment

During the half year ended 30 June 2025, the Group acquired property, plant and equipment with an aggregate cost of S\$6,457,221 (half year ended 30 June 2024: S\$621,246) which include construction in progress of S\$5,975,049 (half year ended 30 June 2024: S\$269,397) and plant and equipment acquired under hire purchase arrangement of S\$Nil (half year ended 30 June 2024: S\$247,217).

Capital commitments of the Group as at 30 June 2025 amounted to S\$9,209,256 (31 December 2024: S\$15,138,501).

### 12. Right-of-use assets

During the half year ended 30 June 2025, the Group acquired right-of-use assets with an aggregate cost of S\$Nil (half year ended 30 June 2024: S\$100,810).

### 13. Investment property

	Group	
	Unaudited 30 June 2025 S\$	Audited 31 December 2024 S\$
<u>At cost:</u>		
Balance at beginning of reporting period	127,702	120,774
Currency translation differences	(790)	6,928
Balance at end of reporting period	<u>126,912</u>	<u>127,702</u>
<u>Accumulated depreciation:</u>		
Balance at beginning of reporting period	71,811	65,205
Currency translation differences	(451)	3,853
Depreciation charge	1,431	2,753
Balance at end of reporting period	<u>72,791</u>	<u>71,811</u>
<u>Net book value:</u>		
Balance at beginning of reporting period	<u>55,891</u>	<u>55,569</u>
Balance at end of reporting period	<u>54,121</u>	<u>55,891</u>
<u>Fair value:</u>		
Fair value at end of reporting period	<u>301,614</u>	<u>303,490</u>

The fair value was measured based on comparison with market evidence of recent transaction prices for similar properties. The significant observable inputs used in measurement is price per square foot and the weighted average range is S\$217 – S\$220.

### 14. Inventories

	Group		Company	
	Unaudited 30 June 2025 S\$	Audited 31 December 2024 S\$	Unaudited 30 June 2025 S\$	Audited 31 December 2024 S\$
Finished/trading goods	<u>28,563,909</u>	<u>31,742,578</u>	<u>13,379,237</u>	<u>15,514,618</u>

Inventories are stated after allowance. The allowance as at 30 June 2025 amounted to S\$7,590,326 (31 December 2024: S\$7,227,940) and S\$3,180,000 (31 December 2024: S\$2,304,000) for the Group and the Company respectively.

## SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (cont'd)

### 15. Trade and other receivables

	Group		Company	
	Unaudited 30 June 2025 S\$	Audited 31 December 2024 S\$	Unaudited 30 June 2025 S\$	Audited 31 December 2024 S\$
<i>Current :</i>				
<u>Trade receivables:</u>				
Non-related parties	24,345,833	23,287,120	7,303,546	6,776,872
Subsidiaries	–	–	7,269,121	8,004,848
Associates	19,167	12,480	19,167	12,480
Less: allowance for impairment – non-related parties	(418,713)	(432,295)	(49,076)	(49,094)
Less: allowance for impairment – subsidiaries	–	–	(2,188,000)	(2,105,000)
Net trade receivables – subtotal	<u>23,946,287</u>	<u>22,867,305</u>	<u>12,354,758</u>	<u>12,640,106</u>
<u>Other receivables:</u>				
Short term loans to subsidiaries	–	–	1,149,820	1,496,704
Loan term loans to subsidiaries	–	–	91,667	229,167
Subsidiaries	–	–	3,017,533	2,400,285
Associates	5,151	–	5,151	–
Advance payments to subsidiary	–	–	137,072	147,370
Non-related parties	557,083	411,739	1,736	1,358
Less: allowance for impairment - subsidiaries	–	–	(1,352,000)	(1,435,000)
Net other receivables – subtotal	<u>562,234</u>	<u>411,739</u>	<u>3,050,979</u>	<u>2,839,884</u>
Total trade and other receivables	<u>24,508,521</u>	<u>23,279,044</u>	<u>15,405,737</u>	<u>15,479,990</u>

The expected credit losses (ECL) on the above trade receivables are based on the simplified approach to measuring the ECL which uses a lifetime ECL allowance approach. The allowance matrix is based on the historical observed default rates (over a period of 36 months) over the expected life of the trade receivables. At every reporting date the historical observed default rates are updated. The methodology applied for impairment loss depends on whether there has been a significant increase in credit risk. Any contractual payment which is more than 1 year past due is considered credit impaired.

### 16. Financial assets at fair value through profit and loss (“FVTPL”)

	Group		Company	
	Unaudited 30 June 2025 S\$	Audited 31 December 2024 S\$	Unaudited 30 June 2025 S\$	Audited 31 December 2024 S\$
At fair value:				
Forward foreign exchange contracts (Level 2)	6,414	44,923	–	–
Total financial assets at FVTPL	<u>6,414</u>	<u>44,923</u>	<u>–</u>	<u>–</u>

## SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (cont'd)

### 17. Financial assets at fair value through other comprehensive income ("FVTOCI")

	Group		Company	
	Unaudited 30 June 2025 S\$	Audited 31 December 2024 S\$	Unaudited 30 June 2025 S\$	Audited 31 December 2024 S\$
At fair value:				
Investment in unquoted equity shares (Level 3)	1,351,100	1,351,100	1,351,100	1,351,100
Total financial assets at FVTOCI	<u>1,351,100</u>	<u>1,351,100</u>	<u>1,351,100</u>	<u>1,351,100</u>

### 18. Share capital

	Group and Company No of shares issued	Share capital \$
Ordinary shares of no par value:		
Balance at 1 January 2025 and 30 June 2025	<u>133,300,000</u>	<u>15,892,028</u>

There have been no changes in the Company's issued share capital since the end of the previous financial year reported on being 31 December 2024.

There were no unissued shares in the capital of the Company reserved for the exercise of any option nor were there any treasury shares as at the end of the reporting periods ended 30 June 2025, 31 December 2024 and 30 June 2024.

There were no outstanding convertibles and subsidiary holdings as at the end of the reporting periods ended 30 June 2025, 31 December 2024 and 30 June 2024.

There were no sale, transfer, cancellation and/or use of treasury shares as at the end of the reporting period reported on.

### 19. Borrowings

	Group		Company	
	Unaudited 30 June 2025 S\$	Audited 31 December 2024 S\$	Unaudited 30 June 2025 S\$	Audited 31 December 2024 S\$
<i>Current :</i>				
Bank overdraft (unsecured)	160,071	677,147	—	—
Bill payables (unsecured)	11,874,347	13,918,794	8,338,090	10,814,190
Short term bank loans (unsecured)	8,828,574	8,919,760	8,128,574	8,119,760
Long term bank loans (unsecured)	166,667	416,667	166,667	416,667
Unsecured sub-total	<u>21,029,659</u>	<u>23,932,368</u>	<u>16,633,331</u>	<u>19,350,617</u>
Bill payables (secured)	2,362,437	1,308,350	—	—
Long term bank loans (secured)	250,000	—	250,000	—
Secured sub-total	<u>2,612,437</u>	<u>1,308,350</u>	<u>250,000</u>	<u>—</u>
Current, total	<u>23,642,096</u>	<u>25,240,718</u>	<u>16,883,331</u>	<u>19,350,617</u>
<i>Non-current:</i>				
Long term bank loans (secured)	5,350,000	—	5,350,000	—
Non-current, total	<u>5,350,000</u>	<u>—</u>	<u>5,350,000</u>	<u>—</u>
Total borrowings	<u>28,992,096</u>	<u>25,240,718</u>	<u>22,233,331</u>	<u>19,350,617</u>

## SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (cont'd)

### 19. Borrowings (cont'd)

The secured bill payables and short term bank loans as at 30 June 2025 and 31 December 2024 are collateralized on fixed and floating charges over all the assets and undertaking of certain subsidiaries, including all present and future freehold and leasehold property, book and other debts, chattels, goodwill and uncalled capital, both present and future.

The secured long term bank loans as at 30 June 2025 are secured by a leasehold property of the Company currently under construction.

The Group and the Company has complied with all bank covenants for the half year ended 30 June 2025.

### 20. Trade and other payables

	Group		Company	
	Unaudited 30 June 2025 S\$	Audited 31 December 2024 S\$	Unaudited 30 June 2025 S\$	Audited 31 December 2024 S\$
<u>Trade payables:</u>				
Non-related parties	5,681,733	6,307,974	2,558,340	2,603,229
Associates	—	7,285	—	—
Subsidiaries	—	—	362,644	263,001
Trade payables – subtotal	<u>5,681,733</u>	<u>6,315,259</u>	<u>2,920,984</u>	<u>2,866,230</u>
<u>Other payables:</u>				
Associates	2,696	15,551	—	12,672
Subsidiaries	—	—	133,950	64,026
Loan from subsidiary	—	—	490,710	523,904
Advance payments from customers	125,379	213,690	26,318	8,758
Advance payments from subsidiary	—	—	338,800	141,486
Accrued liabilities	4,547,113	6,468,504	1,913,089	3,469,215
Deferred income from subsidiaries	—	—	352,431	—
Other payables	<u>3,843,156</u>	<u>1,935,134</u>	<u>2,697,729</u>	<u>847,693</u>
Other payables – subtotal	<u>8,518,344</u>	<u>8,632,879</u>	<u>5,953,027</u>	<u>5,067,754</u>
Total trade and other payables	<u>14,200,077</u>	<u>14,948,138</u>	<u>8,874,011</u>	<u>7,933,984</u>

### 21. Financial liabilities at fair value through profit and loss (“FVTPL”)

	Group		Company	
	Unaudited 30 June 2025 S\$	Audited 31 December 2024 S\$	Unaudited 30 June 2025 S\$	Audited 31 December 2024 S\$
<u>At fair value:</u>				
Forward foreign exchange contracts (Level 2)	<u>32,624</u>	<u>8,684</u>	<u>—</u>	<u>567</u>
Total financial liabilities at FVTPL	<u>32,624</u>	<u>8,684</u>	<u>—</u>	<u>567</u>

## SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (cont'd)

### 22. Fair value measurements recognised in the statements of financial position

Fair values have been determined for measurement and/or disclosure purposes based on the following methods:

The fair value of unquoted equity is estimated based on the market approach at the end of the reporting period.

The fair value of forward foreign exchange contracts is based on the current value of the difference between the contractual exchange rate and the market rate at the end of the reporting period. The valuation method uses market observable inputs.

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, bills payables, short term bank loans and trade and other payables) are assumed to approximate their fair values because of the short period to maturity.

The carrying amounts of finance lease liabilities are a reasonable approximation of fair value. The fair value of the finance leases are estimated by discounting the future cash flows payable under the terms of the finance leases.

The fair value measurements are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

### 23. Categories of financial assets and liabilities

	Group		Company	
	Unaudited 30 June 2025 S\$	Audited 31 December 2024 S\$	Unaudited 30 June 2025 S\$	Audited 31 December 2024 S\$
<u>Financial assets</u>				
Financial assets at amortised cost	38,695,939	39,247,575	17,794,281	17,345,710
Financial assets at FVTOCI	1,351,100	1,351,100	1,351,100	1,351,100
Financial assets at FVTPL	6,414	44,923	–	–
At end of the reporting period	<u>40,053,453</u>	<u>40,643,598</u>	<u>19,145,381</u>	<u>18,696,810</u>
<u>Financial liabilities</u>				
Financial liabilities at amortised cost	45,991,362	43,082,962	31,936,606	28,752,001
Financial liabilities at FVTPL	32,624	8,684	–	567
At end of the reporting period	<u>46,023,986</u>	<u>43,091,646</u>	<u>31,936,606</u>	<u>28,752,568</u>

### 24. Contingent liabilities

	Company	
	Unaudited 30 June 2025 S\$	Audited 31 December 2024 S\$
Undertaking to provide continuing financial support to subsidiaries with net liabilities amounted to:		
Megachem Australia Pty Ltd	1,288,000	1,481,000
Megachem Specialty Chemicals (I) Private Limited	761,000	812,000
Corporate guarantee provided to banks on subsidiaries' loans payable	<u>6,758,765</u>	<u>5,890,101</u>

## SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (cont'd)

### 25. Related party transactions

	Group	
	Unaudited half year ended	
	30 June	
	2025	2024
	S\$	S\$
<u>Associated companies</u>		
Sales of inventories	129,056	143,668
Purchases of inventories	<u>(12,516)</u>	<u>(47,254)</u>
<u>Related parties</u>		
Purchases of inventories(a)	<u>(309,954)</u>	<u>(286,932)</u>

(a) Purchases of inventories from Chori Co., Ltd, a controlling shareholder of the Company, and its related companies.

Shareholders' mandate was obtained for interested person transactions with Chori Co., Ltd and its related corporations. There are no sales to Chori Co., Ltd and its corporation under shareholders' mandate pursuant to Rule 920 in the half year ended 30 June 2025.

The Group purchased products from Chori Co., Ltd and its related corporations amounting to S\$309,954 in the half year ended 30 June 2025.

Name of interested person	Aggregate value of all interested person transactions during the reporting period ended 30 June 2025 under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions during the reporting period ended 30 June 2025 conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
Sales of products to Chori Co., Ltd, a controlling shareholder of the Company, and its related corporations	Nil	Nil
Purchase of products from Chori Co., Ltd, a controlling shareholder of the Company, and its related corporations	Nil	S\$231,510



## SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (cont'd)

### 26. Financial information by operating segments

Profit or loss and reconciliations for geographical segments

	<u>Singapore</u> S\$	<u>Malaysia</u> S\$	<u>United Kingdom</u> S\$	<u>China</u> S\$	<u>Middle East</u> S\$	<u>Others</u> S\$	<u>Unallocated</u> S\$	<u>Group</u> S\$
<b>For the reporting period ended 30 June 2025</b>								
<b>Sales</b>								
Total sales by segment	28,047,461	7,403,640	9,709,297	8,515,309	6,440,842	10,090,133	-	70,206,682
Inter-segment sales	(3,763,887)	(267,360)	(390,349)	(1,688,626)	(6,414)	(16,717)	-	(6,133,353)
	<u>24,283,574</u>	<u>7,136,280</u>	<u>9,318,948</u>	<u>6,826,683</u>	<u>6,434,428</u>	<u>10,073,416</u>	<u>-</u>	<u>64,073,329</u>
<b>Segment result</b>	119,597	917,212	25,217	374,769	243,782	292,721	-	1,973,298
Interest income - bank							88,928	88,928
Finance costs							(738,724)	(738,724)
Share of profit of associates							<u>739,280</u>	<u>739,280</u>
Profit before income tax							89,484	2,062,782
Income tax expense							<u>(344,339)</u>	<u>(344,339)</u>
<b>Net profit</b>	<u>119,597</u>	<u>917,212</u>	<u>25,217</u>	<u>374,769</u>	<u>243,782</u>	<u>292,721</u>	<u>(254,855)</u>	<u>1,718,443</u>
<b>Other segment items</b>								
Capital expenditure	6,240,637	122,312	-	899	5,858	87,515	-	6,457,221
Depreciation	<u>362,619</u>	<u>144,359</u>	<u>50,106</u>	<u>36,086</u>	<u>2,488</u>	<u>65,325</u>	<u>-</u>	<u>660,983</u>

## SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (cont'd)

### 26. Financial information by operating segments (cont'd)

Assets and liabilities and reconciliations for geographical segments

	<u>Singapore</u> S\$	<u>Malaysia</u> S\$	<u>United Kingdom</u> S\$	<u>China</u> S\$	<u>Middle East</u> S\$	<u>Others</u> S\$	<u>Unallocated</u> S\$	<u>Group</u> S\$
<b>For the reporting period ended 30 June 2025</b>								
<b>Segment assets</b>	42,966,126	17,170,906	6,999,522	6,108,250	6,757,072	12,765,618	-	92,767,494
Associates	-	-	-	-	-	-	9,563,239	9,563,239
Deferred tax assets	-	-	-	-	-	-	893,517	893,517
Interest earning cash balances	-	-	-	-	-	-	3,889,594	3,889,594
<b>Consolidated total assets</b>	<u>42,966,126</u>	<u>17,170,906</u>	<u>6,999,522</u>	<u>6,108,250</u>	<u>6,757,072</u>	<u>12,765,618</u>	<u>14,346,350</u>	<u>107,113,844</u>
<b>Segment liabilities</b>	(10,795,483)	(728,269)	(1,688,413)	(1,504,530)	(824,070)	(1,616,504)	-	(17,157,269)
Borrowings	-	-	-	-	-	-	(28,992,096)	(28,992,096)
Current income tax liabilities	-	-	-	-	-	-	(155,831)	(155,831)
Deferred income tax liabilities	-	-	-	-	-	-	(505,170)	(505,170)
<b>Consolidated total liabilities</b>	<u>(10,795,483)</u>	<u>(728,269)</u>	<u>(1,688,413)</u>	<u>(1,504,530)</u>	<u>(824,070)</u>	<u>(1,616,504)</u>	<u>(29,653,097)</u>	<u>(46,810,366)</u>

## SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (cont'd)

### 26. Financial information by operating segments (cont'd)

Profit or loss and reconciliations for geographical segments

	<u>Singapore</u> S\$	<u>Malaysia</u> S\$	<u>United Kingdom</u> S\$	<u>China</u> S\$	<u>Middle East</u> S\$	<u>Others</u> S\$	<u>Unallocated</u> S\$	<u>Group</u> S\$
<b>For the reporting period ended 30 June 2024</b>								
<b>Sales</b>								
Total sales by segment	31,402,056	6,888,879	10,205,062	5,682,242	5,456,123	13,029,242	-	72,663,604
Inter-segment sales	(4,542,019)	(104,697)	(702,254)	(1,750,916)	(16,422)	(371,844)	-	(7,488,152)
	<u>26,860,037</u>	<u>6,784,182</u>	<u>9,502,808</u>	<u>3,931,326</u>	<u>5,439,701</u>	<u>12,657,398</u>	<u>-</u>	<u>65,175,452</u>
<b>Segment result</b>	2,292,124	818,072	217,297	167,536	111,609	(460,712)		3,145,926
Interest income - bank							46,775	46,775
Finance costs							(999,133)	(999,133)
Share of profit of associates							<u>727,567</u>	<u>727,567</u>
Profit before income tax							(224,791)	2,921,135
Income tax expense							<u>(937,799)</u>	<u>(937,799)</u>
<b>Net profit/(loss)</b>	<u>2,292,124</u>	<u>818,072</u>	<u>217,297</u>	<u>167,536</u>	<u>111,609</u>	<u>(460,712)</u>	<u>(1,162,590)</u>	<u>1,983,336</u>
<b>Other segment items</b>								
Capital expenditure	608,222	5,474	-	2,043	-	5,507	-	621,246
Depreciation	<u>313,231</u>	<u>130,933</u>	<u>42,441</u>	<u>35,887</u>	<u>34,793</u>	<u>77,694</u>	<u>-</u>	<u>634,979</u>

## SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (cont'd)

### 26. Financial information by operating segments (cont'd)

Assets and liabilities and reconciliations for geographical segments

	<u>Singapore</u> S\$	<u>Malaysia</u> S\$	<u>United Kingdom</u> S\$	<u>China</u> S\$	<u>Middle East</u> S\$	<u>Others</u> S\$	<u>Unallocated</u> S\$	<u>Group</u> S\$
<b>For the reporting period ended 30 June 2024</b>								
<b>Segment assets</b>	36,447,305	16,987,189	6,711,910	4,570,262	7,145,996	16,353,200	-	88,215,862
Associates	-	-	-	-	-	-	8,363,586	8,363,586
Deferred tax assets	-	-	-	-	-	-	472,741	472,741
Interest earning cash balances	-	-	-	-	-	-	3,466,229	3,466,229
<b>Consolidated total assets</b>	<b>36,447,305</b>	<b>16,987,189</b>	<b>6,711,910</b>	<b>4,570,262</b>	<b>7,145,996</b>	<b>16,353,200</b>	<b>12,302,556</b>	<b>100,518,418</b>
<b>Segment liabilities</b>	(10,564,544)	(1,062,851)	(1,370,976)	(1,105,195)	(810,751)	(2,509,856)	-	(17,424,173)
Borrowings	-	-	-	-	-	-	(27,626,845)	(27,626,845)
Current income tax liabilities	-	-	-	-	-	-	(861,076)	(861,076)
Deferred tax liabilities	-	-	-	-	-	-	(71,132)	(71,132)
<b>Consolidated total liabilities</b>	<b>(10,564,544)</b>	<b>(1,062,851)</b>	<b>(1,370,976)</b>	<b>(1,105,195)</b>	<b>(810,751)</b>	<b>(2,509,856)</b>	<b>(28,559,053)</b>	<b>(45,983,226)</b>

## SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (cont'd)

### 26. Financial information by operating segments (cont'd)

Profit or loss and reconciliations for business segments

	<u>Distribution</u> S\$	<u>Manufacturing</u> S\$	<u>Unallocated</u> S\$	<u>Group</u> S\$
<b>For the reporting period ended</b>				
<b>30 June 2025</b>				
<b>Sales</b>				
Total sales by segment	62,381,938	2,216,513	-	64,598,451
Inter-segment sales	(53,399)	(471,723)	-	(525,122)
	<u>62,328,539</u>	<u>1,744,790</u>	<u>-</u>	<u>64,073,329</u>
<b>Segment result</b>				
	1,948,681	24,617	-	1,973,298
Interest income - bank			88,928	88,928
Finance costs			(738,724)	(738,724)
Share of profit of associates			739,280	739,280
Profit before income tax			89,484	2,062,782
Income tax expense			(344,339)	(344,339)
<b>Net profit</b>	<u>1,948,681</u>	<u>24,617</u>	<u>(254,855)</u>	<u>1,718,443</u>
<b>Other segment items</b>				
Capital expenditure	6,218,355	238,866	-	6,457,221
Depreciation	<u>495,748</u>	<u>165,235</u>	<u>-</u>	<u>660,983</u>

Assets and liabilities and reconciliations for business segments

	<u>Distribution</u> S\$	<u>Manufacturing</u> S\$	<u>Unallocated</u> S\$	<u>Group</u> S\$
<b>Segment assets</b>				
	86,240,778	6,526,716	-	92,767,494
Associates	-	-	9,563,239	9,563,239
Deferred tax assets	-	-	893,517	893,517
Interest earning cash balances	-	-	3,889,594	3,889,594
<b>Consolidated total assets</b>	<u>86,240,778</u>	<u>6,526,716</u>	<u>14,346,350</u>	<u>107,113,844</u>
<b>Segment liabilities</b>				
	(15,424,257)	(1,733,012)	-	(17,157,269)
Borrowings	-	-	(28,992,096)	(28,992,096)
Current income tax liabilities	-	-	(155,831)	(155,831)
Deferred income tax liabilities	-	-	(505,170)	(505,170)
<b>Consolidated total liabilities</b>	<u>(15,424,257)</u>	<u>(1,733,012)</u>	<u>(29,653,097)</u>	<u>(46,810,366)</u>

## SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (cont'd)

### 26. Financial information by operating segments (cont'd)

Profit or loss and reconciliations for business segments

	<u>Distribution</u> S\$	<u>Manufacturing</u> S\$	<u>Unallocated</u> S\$	<u>Group</u> S\$
<b>For the reporting period ended</b>				
<b>30 June 2024</b>				
<b>Sales</b>				
Total sales by segment	63,404,158	2,256,049	-	65,660,207
Inter-segment sales	(59,782)	(424,973)	-	(484,755)
	<u>63,344,376</u>	<u>1,831,076</u>	<u>-</u>	<u>65,175,452</u>
<b>Segment result</b>	2,977,624	168,302	-	3,145,926
Interest income - bank			46,775	46,775
Finance costs			(999,133)	(999,133)
Share of profit of associates			<u>727,567</u>	<u>727,567</u>
Profit before income tax			(224,791)	2,921,135
Income tax expense			<u>(937,799)</u>	<u>(937,799)</u>
<b>Net profit</b>	<u>2,977,624</u>	<u>168,302</u>	<u>(1,162,590)</u>	<u>1,983,336</u>
<b>Other segment items</b>				
Capital expenditure	601,440	19,806	-	621,246
Depreciation	<u>472,876</u>	<u>162,103</u>	<u>-</u>	<u>634,979</u>

Assets and liabilities and reconciliations for business segments

	<u>Distribution</u> S\$	<u>Manufacturing</u> S\$	<u>Unallocated</u> S\$	<u>Group</u> S\$
<b>Segment assets</b>	81,833,468	6,382,394	-	88,215,862
Associates	-	-	8,363,586	8,363,586
Deferred tax assets	-	-	472,741	472,741
Interest earning cash balances	-	-	<u>3,466,229</u>	<u>3,466,229</u>
<b>Consolidated total assets</b>	<u>81,833,468</u>	<u>6,382,394</u>	<u>12,302,556</u>	<u>100,518,418</u>
<b>Segment liabilities</b>	(15,464,187)	(1,959,986)	-	(17,424,173)
Borrowings	-	-	(27,626,845)	(27,626,845)
Current income tax liabilities	-	-	(861,076)	(861,076)
Deferred tax liabilities	-	-	<u>(71,132)</u>	<u>(71,132)</u>
<b>Consolidated total liabilities</b>	<u>(15,464,187)</u>	<u>(1,959,986)</u>	<u>(28,559,053)</u>	<u>(45,983,226)</u>

## OTHER INFORMATION

### AUDIT

The statements of financial position as at 30 June 2025 and the related consolidated statement of profit or loss, consolidated statement of comprehensive income, statements of changes in equity and consolidated statement of cash flows for the half year period then ended and the selected explanatory notes (the "Condensed Interim Financial Statements") have not been audited or reviewed by the Company's auditors.

### REVIEW OF PERFORMANCE

#### Key Financial Highlights

The financial impact of the fire incident that occurred on 5 July 2023 on our consolidated statement of comprehensive income for the half years ended 30 June 2025 and 30 June 2024 is estimated as follows:

	To-date	H1 2025	H2 2024	H1 2024	H2 2023
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Income:</b>					
Insurance claims income	12,467	-	4,408	4,910	3,149
<b>Expenses/loss:</b>					
Inventories written off	(5,919)	-	-	-	(5,919)
Property, plant and equipment written off	(811)	-	-	-	(811)
Demolition and decontamination costs	(3,351)	-	-	(1,031)	(2,320)
Waste disposal costs	(3,665)	-	-	(2,760)	(905)
Compensation claims	(805)	-	-	-	(805)
Other expenses	(722)	-	(198)	(397)	(127)
Total expenses/losses	(15,273)	-	(198)	(4,188)	(10,887)
Net impact before income tax expenses	(2,806)	-	4,210	722	(7,738)

Note : the financial impact above excludes reconstruction cost of the warehouse.

Profitability Highlights	H1 2025	H2 2024	H1 2025 vs H2 2024		H1 2024	H1 2025 vs H1 2024	
			Variance	Fav/(Unfav)		Variance	Fav/(Unfav)
Sales (S\$'mil)	64.1	63.7	0.4	0.6%	65.2	(1.1)	(1.7%)
Gross profit (S\$'mil)	16.1	15.7	0.4	2.2%	15.5	0.6	3.6%
Adjusted gross profit (S\$'mil)	16.1	15.9	0.2	1.1%	15.6	0.5	2.8%
Gross profit margin	25.1%	24.7%	0.4%	na	23.8%	1.3%	na
Adjusted gross profit margin	25.1%	25.0%	0.1%	na	24.0%	1.1%	na
Total operating expenses and finance costs (S\$'mil)	15.0	15.7	0.7	4.5%	18.7	3.7	19.7%
Adjusted total operating expenses and finance costs (S\$'mil)	15.0	15.7	0.7	4.4%	14.6	(0.4)	(2.5%)
Other income (S\$'000)	269	5,279	(5,010)	(94.9%)	5,395	(5,126)	(95.0%)
Adjusted other income (S\$'000)	269	871	(602)	(69.1%)	485	(216)	(44.5%)
Share of profit of associates (S\$'000)	739	495	244	49.5%	728	11	1.6%
Profit before income tax (S\$'mil)	2.1	5.8	(3.7)	(64.3%)	2.9	(0.8)	(29.4%)
Net profit (S\$'mil)	1.7	5.9	(4.2)	(71.0%)	2.0	(0.3)	(13.4%)
Adjusted net profit (S\$'mil)	1.7	1.3	0.4	31.2%	1.7	-	-
Net profit margin	2.7%	9.3%	(6.6%)	na	3.0%	(0.3%)	na

## REVIEW OF PERFORMANCE (cont'd)

### Key Financial Highlights (cont'd)

Profitability Highlights	H1 2025	H2 2024	H1 2025 vs H2 2024		H1 2024	H1 2025 vs H1 2024	
			Variance	Fav/(Unfav)		Variance	Fav/(Unfav)
Adjusted net profit margin	2.7%	2.1%	0.6%	na	2.6%	0.1%	na
EBITDA (S\$mil)	3.4	7.3	(3.9)	(53.5%)	4.5	(1.1)	(25.2%)
EBITDA margin	5.3%	11.4%	(6.1%)	na	6.9%	(1.6%)	na
Earnings per share attributable to equity holders of the Company (cents)	1.26	4.43	(3.17)	(71.6%)	1.50	(0.24)	(16.0%)

Note : "Adjusted" amounts refer to amounts adjusted for the impact of the fire incident.  
na : not applicable

### Profitability Review

#### (a) Sales

	H1 2025	H2 2024	Variance Fav/(Unfav)		H1 2024	Variance Fav/(Unfav)	
	S\$'000	S\$'000	H1 2025 vs H2 2024	%	S\$'000	H1 2025 vs H1 2024	%
ASEAN	35,595	36,639	(1,044)	(2.8)	37,613	(2,018)	(5.4)
Europe	8,486	7,730	756	9.8	8,554	(68)	(0.8)
North Asia	7,784	7,060	724	10.3	5,391	2,393	44.4
Middle East	6,388	5,637	751	13.3	5,350	1,038	19.4
Australia	3,722	4,543	(821)	(18.1)	5,673	(1,951)	(34.4)
South Asia	1,769	1,910	(141)	(7.4)	2,335	(566)	(24.2)
America	209	61	148	242.6	105	104	99.0
Africa	120	86	34	39.5	154	(34)	(22.1)
Total	64,073	63,666	407	0.6	65,175	(1,102)	(1.7)

#### Geographic Segment Sales Analysis

##### H1 2025 vs H2 2024

Geopolitical events and US tariffs impeded growth for the chemical industry, leading to lower demand. In the first half of 2025 ("H1 2025"), sales to Europe, Middle East and North Asia markets recorded an increase in the range of S\$0.7 million to S\$0.8 million or approximately 10% to 13% as compared to second half of 2024 ("H2 2024") while sales to America market grew by S\$0.1 million.

On the other hand, sales to ASEAN and Australia markets fell by S\$1.0 million or 2.8% and S\$0.8 million or 18.1% respectively while sales to South Asia markets declined by S\$0.1 million.

As a result, total sales increased by S\$0.4 million or 0.6% to S\$64.1 million in H1 2025 vis-à-vis sales of S\$63.7 million in H2 2024.

##### H1 2025 vs H1 2024

As compared to the first half of 2024 ("H1 2024"), total sales decreased by S\$1.1 million or 1.7%. ASEAN markets recorded a decrease in sales of S\$2.0 million or 5.4%. This was followed by the Australia and South Asia markets which decline by S\$2.0 million or 34.4% and S\$0.6 million or 24.2% respectively.

On the other hand, North Asia and Middle East markets recorded higher sales of S\$2.4 million or 44.4% and S\$1.0 million or 19.4% respectively while sales to America market increased by a smaller scale of S\$0.1 million.



## REVIEW OF PERFORMANCE (cont'd)

### Profitability Review (cont'd)

#### (a) Sales (cont'd)

##### Business Activity Segment Sales Breakdown

	H1 2025 S\$'000	H2 2024 S\$'000	Variance Fav/(Unfav) H1 2025 vs H2 2024		H1 2024 S\$'000	Variance Fav/(Unfav) H1 2025 vs H1 2024	
			S\$'000	%		S\$'000	%
Distribution activity	62,328	61,575	753	1.2	63,344	(1,016)	(1.6)
Manufacturing activity	1,745	2,091	(346)	(16.5)	1,831	(86)	(4.7)
Total Sales	64,073	63,666	407	0.6	65,175	(1,102)	(1.7)

H1 2025 vs H2 2024

H1 2025 vs H1 2024

Sales from distribution segment increased by S\$0.7 million or 1.2% over H2 2024 but contracted by S\$1.0 million or 1.6% as compared to H1 2024.

Sales from manufacturing segment decreased by S\$0.4 million or 16.5% and S\$0.1 million or 4.7% in H1 2025 over H2 2024 and H1 2024 respectively.

#### (b) Gross profit

H1 2025 vs H2 2024

H1 2025 vs H1 2024

Gross profit margin improved in H1 2025 (25.1%) as compared to H2 2024 (24.7%) and H1 2024 (23.8%). This was mainly due to lower allowance for inventory impairment recorded in H1 2025 over H2 2024 and H1 2024.

As a result, gross profit increased by S\$0.4 million or 2.2% and S\$0.6 million or 3.6% over H2 2024 and H1 2024 respectively.

#### (c) Other income

	H1 2025 S\$'000	H2 2024 S\$'000	Variance Fav/(Unfav) H1 2025 vs H2 2024		H1 2024 S\$'000	Variance Fav/(Unfav) H1 2025 vs H1 2024	
			S\$'000	%		S\$'000	%
Change in fair value of financial assets at FVTPL							
- forward foreign exchange contracts	6	45	(39)	(86.0)	7	(1)	(7.2)
Gain on disposal of property, plant and equipment	9	598	(589)	(98.5)	26	(17)	(66.7)
Grant income	88	40	48	> 100.0	3	85	> 100.0
Insurance claims	20	4,432	(4,412)	(99.5)	5,241	(5,221)	(99.6)
Interest income	89	77	12	16.1	47	42	90.1
Trade receivables recovered	49	80	(31)	(38.4)	64	(15)	(22.3)

## REVIEW OF PERFORMANCE (cont'd)

### Profitability Review (cont'd)

#### (c) Other income (cont'd)

##### H1 2025 vs H2 2024

Other income in H1 2025 decreased by S\$5.0 million or 94.9% as compared to H2 2024. This was mainly due to lower insurance compensation claims of S\$4.4 million, lower gain on disposal of property, plant and equipment of S\$0.6 million, offset by higher grant income of S\$48,000.

##### H1 2025 vs H1 2024

Other income decreased by S\$5.1 million year-on-year. The decrease was mainly due to lower insurance compensation claims of S\$5.2 million offset by higher grant income of S\$85,000.

#### (d) Operating expenses

	H1 2025 S\$'000	H2 2024 S\$'000	Variance Fav/(Unfav) H1 2025 vs H2 2024		H1 2024 S\$'000	Variance Fav/(Unfav) H1 2025 vs H1 2024	
			S\$'000	%		S\$'000	%
Demolition and decontamination costs	-	-	-	-	1,031	1,031	100.0
Depreciation of property, plant and equipment	463	468	5	1.1	428	(35)	(8.3)
Depreciation of right-of-use assets	148	151	3	1.9	176	28	15.8
Employee compensation	8,522	8,552	-	-	8,401	(121)	(1.4)
Insurance expenses	349	243	(106)	(43.7)	338	(11)	(3.3)
Net foreign exchange translation losses	320	526	206	39.1	149	(171)	(> 100.0)
Professional fees	348	586	238	40.6	378	30	8.0
Transport charges	400	507	107	21.1	406	6	1.5
Travelling expenses	384	497	113	22.8	392	8	2.0
Waste disposal costs	3	3	-	-	2,775	2,772	99.9
Warehouse storage charges	1,770	1,772	2	0.1	1,666	(104)	(6.2)

##### H1 2025 vs H2 2024

Operating expenses for H1 2025 decreased by S\$0.5 million or 3.7% to S\$14.3 million as compared to H2 2024 (S\$14.8 million). The decrease was mainly due to lower net foreign exchange translation losses of S\$0.2 million, lower professional fees of S\$0.2 million, lower transport charges of S\$0.1 million and lower travelling expenses of S\$0.1 million.

The decrease was partially offset by higher insurance expenses of S\$0.1 million.

##### H1 2025 vs H1 2024

Year-on-year, operating expenses decreased by S\$3.4 million or 19.4% as compared to H1 2024 (S\$17.7 million). The decrease was mainly due to the absence of expenses incurred as a result of the fire incident such as demolition and decontamination costs and waste disposal costs which amounted to S\$3.8 million in H1 2024.

The decrease was offset by higher net foreign exchange translation losses of S\$0.2 million, higher employee compensation of S\$0.1 million and higher warehouse storage charges of S\$0.1 million.

## REVIEW OF PERFORMANCE (cont'd)

### Profitability Review (cont'd)

#### (e) Finance costs

Finance costs comprised the following:-

	H1 2025 S\$'000	H2 2024 S\$'000	Variance Fav/(Unfav) H1 2025 vs H2 2024		H1 2024 S\$'000	Variance Fav/(Unfav) H1 2025 vs H1 2024	
			S\$'000	%		S\$'000	%
Bills payables	434	516	82	15.9	514	80	15.5
Bank loans	212	267	55	20.5	390	178	45.6
Bank overdraft	12	39	27	69.8	17	5	30.9
Finance leases	16	18	2	10.7	11	(5)	-44.1
Lease liabilities	65	71	6	8.6	67	2	4.1
Total finance costs	739	911	172	18.9	999	260	26.1

#### H1 2025 vs H2 2024

#### H1 2025 vs H1 2024

Finance costs for H1 2025 decreased by S\$172,000 or 18.9% and S\$260,000 or 26.1% over H2 2024 and H1 2024 respectively mainly due to lower trade borrowings.

#### (f) Share of profit of associates

#### H1 2025 vs H2 2024

Our share of profit of associates increased by S\$244,000 or 49.5% as compared to H2 2024.

#### H1 2025 vs H1 2024

Vis-à-vis H1 2024, our share of profit of associates increased marginally by S\$11,000 or 1.6%.

#### (g) Profit before income tax and net profit after tax

#### H1 2025 vs H2 2024

Profit before tax of H1 2025 decreased by S\$3.7 million or 64.3% to S\$2.1 million as compared to net profit before tax of S\$5.8 million in H2 2024. Similarly, EBITDA in H1 2025 was S\$3.4 million as compared to S\$7.3 million in H2 2024. The decrease in profitability was mainly due to lower other income of S\$5.0 million (primarily insurance claims income and gain on disposal of property, plant and equipment) offset by higher gross profit of S\$0.3 million, higher share of profits of associates of S\$0.2 million and lower total expenses of S\$0.7 million.

As a result, net profit after tax of S\$1.7 million was recorded in H1 2025 as compared to net profit after tax of S\$5.9 million. After adjusting for the impact of fire incident in H2 2024, H1 2025 net profit after tax would have increased by S\$0.4 million or 31.2% over H2 2024.

## REVIEW OF PERFORMANCE (cont'd)

### Profitability Review (cont'd)

#### (g) Profit before income tax and net profit after tax (cont'd)

##### H1 2025 vs H1 2024

Profit before tax in H1 2025 decreased by S\$0.8 million or 29.4% as compared to net profit before tax of S\$2.9 million in H1 2024. EBITDA in H1 2025 was S\$3.4 million as compared to S\$4.5 million in H1 2024. The decrease in profitability was mainly due to lower other income offset by higher gross profit and the absence of expenses incurred in H1 2024 as a result of the fire incident.

With lower income tax expenses incurred, H1 2025 net profit after tax at S\$1.7 million was S\$0.3 million or 13.4% lower than H1 2024. After adjusting for the impact of fire in H1 2024, H1 2025 net profit after tax would be relatively unchanged as compared to H1 2024.

#### (h) Total comprehensive income

Translation gains or losses arise from translation of foreign currency denominated asset and liabilities of subsidiaries and associates. Translation losses recorded for H1 2025 of S\$1.0 million was largely due to the depreciation of United States Dollar, Vietnamese Dong, Malaysian Ringgit, Thai Baht and Chinese Yuan.

##### H1 2025 vs H2 2024

Translation gains in H2 2024 were S\$1.7 million. As a result, comprehensive income for H1 2025 at S\$0.7 million was S\$7.0 million lower than comprehensive income of S\$7.7 million H2 2024.

##### H1 2025 vs H1 2024

Comprehensive income in H1 2025 decreased by S\$1.1 million year-on-year due to higher translation losses of S\$0.8 million incurred in H1 2025 as compared to H1 2024.

### Financial Position Review

Financial Position Highlights	As at		Variance 30 June 2025 vs 31 December Fav/(Unfav)
	30 June 2025	31 December 2024	
Cash (S\$'mil)	14.2	16.0	(1.8)
Borrowings (S\$'mil)	29.0	25.2	(3.8)
Current ratio (times)	1.8	1.8	-
Gearing ratio (times)	0.49	0.43	(0.06)
Net gearing ratio (times)	0.25	0.16	(0.09)
Net assets per share attributable to equity holders of the Company (cents)	43.97	43.92	0.05
Inventory turnover (days)	142	147	5
Trade receivables turnover (days)	68	66	(2)
Trade payable turnover (days)	26	27	(1)

## REVIEW OF PERFORMANCE (cont'd)

### Financial Position Review (cont'd)

#### (i) Property, plant and equipment

The carrying value of property, plant and equipment increased by S\$5.9 million from S\$16.8 million as at 31 December 2024 to S\$22.7 million as at 30 June 2025. Additional capital expenditure of S\$6.5 million (mainly for construction-in-progress for warehouse at 132 Pioneer Road and plant and machinery) were offset by depreciation charge of S\$0.5 million and foreign exchange translation losses of S\$0.1 million for the current reporting period.

#### (j) Right-of-use assets

The carrying value of right-of-use assets decreased by S\$0.1 million from S\$2.3 million as at 31 December 2024 to S\$2.2 million as at 30 June 2025. The decrease was due to depreciation charge of S\$0.1 million in the current reporting period.

#### (k) Investment in associates

The carrying value of investment in associates increased by S\$0.2 million from S\$9.4 million as at 31 December 2024 to S\$9.6 million as at 30 June 2025. The positive contribution from operation in H1 2025 of S\$0.7 million was offset by dividend return of S\$0.4 million and foreign exchange translation losses of S\$0.1 million.

#### (l) Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income as at 30 June 2025 and 31 December 2024 related to investment in unquoted equity shares. There was no change in the fair value of the unquoted equity shares.

#### (m) Trade and other receivables

Net trade receivables increased by S\$1.0 million or 4.7% from S\$22.9 million as at 31 December 2024 to S\$23.9 million as at 30 June 2025. The increase was because of higher sales in H1 2025 as compared to H2 2024. Turnover days increased by 2 days from 66 days for the full year of 2024 to 68 days in H1 2025. Other receivables increased by S\$0.1 million as compared to 31 December 2024.

#### (n) Inventories

Inventories decreased by S\$3.2 million or 10.0% from S\$31.7 million as at 31 December 2024 to S\$28.6 million as at 30 June 2025. The decrease in inventory was mainly due to higher sales in H1 2025 and prudent inventory management. Inventory turnover days decreased by 5 days from 147 days for the full year of 2024 to 142 days in H1 2025.

#### (o) Other current assets

Other current assets increased by S\$0.5 million or 17.7% from S\$2.6 million as at 31 December 2024 to S\$3.1 million as at 30 June 2025 primarily due to higher advance payments to vendors.

#### (p) Financial assets and financial liabilities at fair value through profit or loss

Financial assets at fair value through profit or loss were not significant as at 30 June 2025 and 31 December 2024.

Financial liabilities at fair value through profit or loss increased by S\$24,000 to S\$33,000 as at 30 June 2025.

## REVIEW OF PERFORMANCE (cont'd)

### Financial Position Review (cont'd)

#### (q) Trade and payables

Total trade payables decreased by S\$0.6 million or 10.0% from S\$6.3 million as at 31 December 2024 to S\$5.7 million as at 30 June 2025. Turnover days remained relatively stable in H1 2025 as compared to the full year of 2024.

Other payables in aggregate decreased by S\$0.1 million from S\$8.6 million as at 31 December 2024 to S\$8.5 million as at 30 June 2025 mainly due to lower accrued liabilities of S\$1.9 million, lower advance payments received from customers offset by higher sundry payables of S\$1.9 million.

#### (r) Financial liabilities - lease liabilities

The carrying value of lease liabilities decreased by S\$0.2 million or 5.9% from S\$3.1 million as at 31 December 2024 to S\$2.9 million as at 30 June 2025. Accretion of interest of S\$80,000 was offset by repayment of lease liabilities of S\$262,000 in H1 2025.

#### (s) Borrowings

Total borrowings increased by S\$3.8 million or 14.9% from S\$25.2 million as at 31 December 2024 to S\$29.0 million as at 30 June 2025. This increase was mainly due to proceeds from long term bank loans, which were used to finance the reconstruction of the warehouse, offset by repayment of bills payables and short term bank loans.

In line with higher total borrowings, our gearing and net gearing ratio increased from 0.43 times and 0.16 times as at 31 December 2024 to 0.49 times and 0.25 times as at 30 June 2025 respectively.

#### (t) Net asset per share attributable to equity holders of the Company

Net asset value per share increased from 43.92 cents as at 31 December 2024 to 43.97 cents as at 30 June 2025 primarily due to total comprehensive income recorded for equity holders for the current reporting period of S\$0.7 million offset by dividend payment of S\$0.7 million.

### Cashflow Review

Positive cash flow from operating activities of S\$2.6 million was generated in H1 2025 primarily due to profitable operation and a reduction in inventories. Other major cash inflows from investing activities consist of dividend received from associate of S\$0.4 million.

The progress payments of S\$6.0 million for the reconstruction of the warehouse came from long term bank loans of about S\$5.4 million and internal funds. Positive cash flow generated from operating activities and dividend received from associate enable us to repay trade borrowings of S\$0.9 million, payment of bank interests of S\$0.7 million and payment of dividends of S\$0.9 million.

This resulted in a decrease in cash and cash equivalents of S\$0.9 million and coupled with net foreign exchange translation losses of S\$0.4 million, cash and cash equivalent decreased from S\$15.3 million as at 31 December 2024 to S\$14.0 million as at 30 June 2025.

## **RISK**

We believe the imminent risks to our financial performance for the second half year ending 31 December 2025 ("H2 2025") are as follows:

### **Economic risk**

Unpredictable US trade policies, geopolitical conflicts in Ukraine and Middle East as well as sluggish China economic recovery are casting a gloom over the global economy. As the chemical industry is inextricably intertwined with global economy, the impact will be felt in our business and performance.

### **US Trade Tariffs**

The direct impact of the US trade tariffs on our business is minimal since our sales to the US and our import of US products into China is not significant.

The greater impact may come from our customers who export to the US especially from countries such as China, Vietnam, Thailand which are significantly affected by the tariffs. Overall, the repercussion on the global economy cannot be underestimated.

### **Supply chain risk**

The geopolitical crisis in Middle East intensified which has further caused disruption to the supply chain. If the situation persists, it may hamper further growth in our business.

### **Energy prices**

Any escalation in oil prices will push freight rates higher which may in turn dampen demand for chemicals. Specialty chemicals, though less susceptible to oil price fluctuations in comparison to bulk commodity chemicals, are not immune to oil price volatility.

### **Inventory risk**

Our business involves keeping inventory of chemicals to meet customers' requirements. In the event of an unexpected fall in customers' demand levels, we may end up with excess inventory. Supply chain disruption leading to longer shipment lead time, may force us to keep higher level of inventory in order to meet customers requirement.

### **Supply Risk**

One of Megachem's strength is the ability to secure supply of quality products. Even though our sources of supply are fairly diversified, any supply disruption or loss of product distributorship of our core products may have an impact on business.

### **Currency risk**

We operate internationally and therefore are exposed to foreign currency risks arising from various currency exposures. The currency market remains volatile and difficult to predict. Furthermore, some countries impose foreign exchange controls. These pose a challenge to our foreign exchange risk management. While we will continue to hedge our exposure, we recognize that there is no perfect hedge. In addition, currencies of certain countries have limited liquidity and carry high hedging cost. Thus, any adverse changes in foreign currency may have an impact on our profitability.

### **Interest rate risk**

Our interest rate risk arises from bank borrowings at floating rates. Even though interest rates trended downwards following interest rates cuts by central banks last year, there are concerns that trade tariffs may raise inflation. Hence, our borrowing cost will likely remain high until further interest rates cuts by central banks.

## **RISK (cont'd)**

### **Credit risk**

Our products are sold to more than 2,000 customers across many countries. Although there is no significant concentration of credit risk, the credit risks in some countries are more difficult to assess. Some customers may also face financial stress as a result of high interest rates and business cost. Any significant payment default will negatively impact our financial performance.

### **Country risk**

Our products are sourced and sold globally. Our business may be affected if any of our markets suffers significant escalation in country risk

## **PROSPECTS**

There was no forecast or prospect statement previously disclosed to shareholders.

### **Economy**

US protectionist trade policies, geopolitical conflicts in Ukraine and the Middle East as well as the sluggish economic recovery in China has heightened downside risk to the global economy.

### **Chemical industry**

On the back of uncertain trade policies, global manufacturing activities and demand may weaken which will adversely impact the chemical industry since business conditions in the industry is primarily dependent on continued growth in manufacturing activities.

### **Megachem**

There is a close correlation between the overall economy and Megachem's business as our chemical products are sold to a wide spectrum of industries. Hence, any deterioration in economic conditions could dampen our growth outlook.

In anticipation of the potential changes in global trade flows and a weaker external environment, we will continue to diversify our supply sources and deepen our market penetration especially in Asia as well as stay nimble with prudent inventory and financial management.

### **Rebuilding our warehouse**

On 5 July 2023 Megachem informed shareholders via an SGX announcement that a fire broke out on the same day at 132 Pioneer Road where one of our warehouses is located.

The structural work for the rebuilding of our warehouse is largely completed, following the completion of the piling phase. If all goes as planned, construction is targeted to complete by end of 2025.

While the reconstruction of the warehouse will increase our cost in the short and medium term, it will lead to lower warehousing cost in the longer term as we reduce our reliance on third party warehouses. With a bigger warehousing capacity, the new warehouse will enhance our operational efficiency and long-term competitiveness.



## **DIVIDEND**

### **(a) Current financial year reported on**

Any interim dividend declared for the financial period ended? Yes

The directors are pleased to declare an interim tax exempt dividend of 0.5 cent per share in respect of the financial period ended 30 June 2025 as follows:

Name of dividend	Interim
Dividend type	Cash
Dividend amount per share (in cents)	0.5
Tax rate	Exempt

### **(b) Corresponding period of the immediately preceding financial year**

Any dividend declared for the immediately preceding financial period ended 30 June 2024? Yes

Name of dividend	Interim
Dividend type	Cash
Dividend amount per share (in cents)	0.5
Tax rate	Exempt

### **(c) Date payable**

The interim tax exempt dividend of 0.5 cent per share in respect of the financial period ended 30 June 2025 will be paid on 30 September 2025.

### **(d) Record date**

The Share Transfer Books and Register of Members of the Company will be closed on 10 September 2025 for the purpose of determining member's entitlements to the proposed interim tax exempt dividend.

Duly completed and stamped transfers received by the Company's Share Registrar, Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte Ltd), 9 Raffles Place, #26-01 Republic Plaza, Singapore 048619, up to 5.00pm on 9 September 2025 (the "Record Date") will be registered to determine member's entitlements to the proposed dividend.

Members (being depositors) whose securities account with The Central Depository (Pte) Limited are credited with ordinary shares as at Record Date will be entitled to the payment of the proposed dividend.

Payment of the interim tax exempt dividend of 0.5 cent per share will be made on 30 September 2025.



**Undertaking from directors and executive officers in pursuant to Rule 720(1) of the Listing Manual of Singapore Exchange Securities Trading Limited Section B: Rules of Catalyst (the “Catalist Rules”)**

The Company had procured signed undertakings from all its Directors and executive officers based on the latest revised form set out in Appendix 7H of the Catalyst Rules.

**Disclosures on Acquisitions and Realisation of Shares pursuant to Rule 706A of the Catalyst Rules**

There were no acquisitions or realization of shares nor incorporation of any new subsidiary or associates by the Company or any of the Group entities during H1 2025.

**Negative assurance confirmation on interim financial results pursuant to Rule 705(5) of the Catalyst Rules**

I, Chew Choon Tee, being the Managing Director of Megachem Limited, do hereby confirm on behalf of the Board of Directors that, to the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited results for the half year ended 30 June 2025 to be false or misleading in any material aspects and the financial statements are in compliance with relevant accounting standards.

On behalf of the Board of Directors

Chew Choon Tee  
Managing Director

13 August 2025