



MEGACHEM LIMITED

Condensed Interim Financial Statements

For The Second Half Year and Full
Year Ended
31 December 2025

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The contact person for the Sponsor is Mr Bernard Lim (Tel : (65) 6232 3210) at 1 Robinson Road #21-01 AIA Tower Singapore 048542.



TABLE OF CONTENTS	PAGE
CONDENSED INTERIM FINANCIAL STATEMENTS	
- CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	1
- STATEMENTS OF FINANCIAL POSITION	3
- STATEMENTS OF CHANGES IN EQUITY	4
- CONSOLIDATED CASH FLOW STATEMENT	6
- SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS	7
OTHER INFORMATION	
- AUDIT	25
- REVIEW OF PERFORMANCE	25
- RISKS	37
- PROSPECTS	37
- DIVIDENDS	39
- BREAKDOWN OF SALES	40
- UNDERTAKING PURSUANT TO RULE 704(10) OF THE CATALIST RULES	40
- UNDERTAKING PURSUANT TO RULE 720(1) OF THE CATALIST RULES	40
- DISCLOSURE PURSUANT TO RULE 706(A) OF THE CATALIST RULES	41



**CONDENSED INTERIM FINANCIAL STATEMENTS
AS AT AND FOR THE SECOND HALF YEAR AND FULL YEAR ENDED 31 DECEMBER 2025**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SECOND HALF
YEAR ENDED 31 DECEMBER 2025**

	Note	Unaudited	Unaudited	Variance	
		For the second half year ended	For the second half year ended	Favourable/(Unfavourable)	
		31 December 2025	31 December 2024	S\$	%
Revenue	3	60,339,130	63,666,114	(3,326,984)	(5.2%)
Cost of sales		<u>(44,604,534)</u>	<u>(47,940,779)</u>	3,336,245	7.0%
Gross profit		15,734,596	15,725,335	9,261	0.1%
Other income	4	266,632	5,279,136	(5,012,504)	(94.9%)
Distribution costs		(8,688,749)	(9,321,474)	632,725	6.8%
Administrative expenses		(3,165,793)	(3,244,494)	78,701	2.4%
Other operating expenses		(1,698,256)	(2,250,725)	552,469	24.5%
Finance costs	5	(673,530)	(910,654)	237,124	26.0%
Share of profit of associates		428,179	494,529	(66,350)	(13.4%)
Profit before income tax	6	<u>2,203,079</u>	<u>5,771,653</u>	(3,568,574)	(61.8%)
Income tax (expense)/income	7	<u>(14,162)</u>	<u>158,462</u>	(172,624)	N.M
Net profit		<u>2,188,917</u>	<u>5,930,115</u>	(3,741,198)	(63.1%)
Other comprehensive income:					
Exchange differences on translating foreign operations, net of tax		<u>1,236,629</u>	<u>1,720,625</u>	(483,996)	(28.1%)
Total comprehensive income		<u>3,425,546</u>	<u>7,650,740</u>	(4,225,194)	(55.2%)
Net profit attributable to:					
Equity holders of the Company		2,150,231	5,905,710	(3,755,479)	(63.6%)
Non-controlling interests		<u>38,686</u>	<u>24,405</u>	14,281	58.5%
Net profit		<u>2,188,917</u>	<u>5,930,115</u>	(3,741,198)	(63.1%)
Total comprehensive income attributable to:					
Equity holders of the Company		3,370,647	7,634,052	(4,263,405)	(55.8%)
Non-controlling interests		<u>54,899</u>	<u>16,688</u>	38,211	> 100.0%
Total comprehensive income		<u>3,425,546</u>	<u>7,650,740</u>	(4,225,194)	(55.2%)
Earnings per share of profit attributable to equity holders of the Company					
- basic and diluted	9	<u>1.61 cents</u>	<u>4.43 cents</u>	(2.82 cents)	(63.7%)

N.M : not meaningful



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FULL YEAR ENDED 31 DECEMBER 2025

	Note	Unaudited	Audited	Variance	
		For the full year ended 31 December 2025	For the full year ended 31 December 2024	Favourable/(Unfavourable)	
		S\$	S\$	S\$	%
Revenue	3	124,412,459	128,841,566	(4,429,107)	(3.4%)
Cost of sales		<u>(92,610,645)</u>	<u>(97,613,409)</u>	5,002,764	5.1%
Gross profit		31,801,814	31,228,157	573,657	1.8%
Other income	4	529,285	10,666,947	(10,137,662)	(95.0%)
Distribution costs		(17,799,944)	(22,201,359)	4,401,415	19.8%
Administrative expenses		(6,392,313)	(6,400,920)	8,607	0.1%
Other operating expenses		(3,628,186)	(3,912,346)	284,160	7.3%
Finance costs	5	(1,412,254)	(1,909,787)	497,533	26.1%
Share of profit of associates		1,167,459	1,222,096	(54,637)	(4.5%)
Profit before income tax	6	<u>4,265,861</u>	<u>8,692,788</u>	(4,426,927)	(50.9%)
Income tax expense	7	<u>(358,501)</u>	<u>(779,337)</u>	420,836	54.0%
Net profit		<u>3,907,360</u>	<u>7,913,451</u>	(4,006,091)	(50.6%)
Other comprehensive income:					
Exchange differences on translating foreign operations, net of tax		<u>187,288</u>	<u>1,506,709</u>	(1,319,421)	(87.6%)
Total comprehensive income		<u>4,094,648</u>	<u>9,420,160</u>	(5,325,512)	(56.5%)
Net profit attributable to:					
Equity holders of the Company		3,834,646	7,905,459	(4,070,813)	(51.5%)
Non-controlling interests		<u>72,714</u>	<u>7,992</u>	64,722	> 100.0%
Net profit		<u>3,907,360</u>	<u>7,913,451</u>	(4,006,091)	(50.6%)
Total comprehensive income attributable to:					
Equity holders of the Company		4,096,280	9,361,091	(5,264,811)	(56.2%)
Non-controlling interests		<u>(1,632)</u>	<u>59,069</u>	(60,701)	N.M
Total comprehensive income		<u>4,094,648</u>	<u>9,420,160</u>	(5,325,512)	(56.5%)
Earnings per share of profit attributable to equity holders of the Company					
- basic and diluted	9	<u>2.88 cents</u>	<u>5.93 cents</u>	(3.05 cents)	(51.4%)

N.M : not meaningful



STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

	Note	Group		Company	
		Unaudited 31 December 2025 S\$	Audited 31 December 2024 S\$	Unaudited 31 December 2025 S\$	Audited 31 December 2024 S\$
ASSETS					
Non-current assets					
Property, plant and equipment	11	30,369,399	16,815,300	16,770,127	3,525,741
Right-of-use assets	12	2,343,810	2,341,082	940,498	974,087
Investment property	13	55,316	55,891	-	-
Investments in subsidiaries		-	-	7,825,563	7,936,563
Investments in associates		10,228,665	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		26,164	25,245	4,001	4,001
Other receivables		-	-	-	-
Deferred tax assets		974,458	925,283	445,000	369,000
		<u>45,348,912</u>	<u>30,866,125</u>	<u>30,135,045</u>	<u>16,959,248</u>
Current assets					
Inventories	14	29,035,716	31,742,578	14,417,968	15,514,618
Trade and other receivables	15	24,141,433	23,279,044	13,974,431	15,479,990
Financial assets at fair value through profit or loss	16	499	44,923	-	-
Other current assets		2,475,698	2,624,877	813,890	583,672
Cash and bank balances		14,007,190	15,968,531	2,039,190	2,013,090
		<u>69,660,536</u>	<u>73,659,953</u>	<u>31,245,479</u>	<u>33,591,370</u>
Total assets		<u>115,009,448</u>	<u>104,526,078</u>	<u>61,380,524</u>	<u>50,550,618</u>
EQUITY AND LIABILITIES					
Capital and reserves attributable to equity holders of the Company					
Share capital	18	15,892,028	15,892,028	15,892,028	15,892,028
Other reserves		(6,000,377)	(6,262,011)	-	-
Retained earnings		51,420,022	48,918,376	8,773,218	5,335,778
		<u>61,311,673</u>	<u>58,548,393</u>	<u>24,665,246</u>	<u>21,227,806</u>
Non-controlling interests		1,750,851	1,945,289	-	-
Total equity		<u>63,062,524</u>	<u>60,493,682</u>	<u>24,665,246</u>	<u>21,227,806</u>
Non-current liabilities					
Borrowings	19	6,250,000	-	6,250,000	-
Financial liabilities - lease liabilities		2,698,150	2,745,445	1,321,270	1,473,851
Deferred tax liabilities		573,261	455,000	445,000	406,000
		<u>9,521,411</u>	<u>3,200,445</u>	<u>8,016,270</u>	<u>1,879,851</u>
Current liabilities					
Current income tax liabilities		58,698	272,060	-	14,000
Trade and other payables	20	13,581,191	14,948,138	6,987,555	7,933,984
Borrowings	19	28,449,636	25,240,718	21,558,872	19,350,617
Financial liabilities - lease liabilities		314,433	362,351	152,581	143,793
Financial liabilities at fair value through profit or loss	21	21,555	8,684	-	567
		<u>42,425,513</u>	<u>40,831,951</u>	<u>28,699,008</u>	<u>27,442,961</u>
Total liabilities		<u>51,946,924</u>	<u>44,032,396</u>	<u>36,715,278</u>	<u>29,322,812</u>
Total equity and liabilities		<u>115,009,448</u>	<u>104,526,078</u>	<u>61,380,524</u>	<u>50,550,618</u>



STATEMENT OF CHANGES IN EQUITY FOR THE FULL YEAR ENDED 31 DECEMBER 2025

<u>The Group</u>	Note	Attributable to equity holders of the Company					Non-controlling interests S\$
		Total equity S\$	Parent Sub-total S\$	Share capital S\$	Other reserves S\$	Retained earnings S\$	
Current year :							
Opening balance at 1 January 2025		60,493,682	58,548,393	15,892,028	(6,262,011)	48,918,376	1,945,289
Total comprehensive income for the reporting year		4,094,648	4,096,280	-	261,634	3,834,646	(1,632)
Final dividend relating to 2024 paid	8	(666,500)	(666,500)	-	-	(666,500)	-
Interim dividend relating to 2025 paid	8	(666,500)	(666,500)	-	-	(666,500)	-
Final dividend relating to 2024 paid to non-controlling interests		(192,806)	-	-	-	-	(192,806)
Closing balance at 31 December 2025		63,062,524	61,311,673	15,892,028	(6,000,377)	51,420,022	1,750,851

<u>The Group</u>	Note	Attributable to equity holders of the Company					Non-controlling interests S\$
		Total equity S\$	Parent Sub-total S\$	Share capital S\$	Other reserves S\$	Retained earnings S\$	
Current year :							
Opening balance at 1 January 2024		53,159,187	49,962,298	15,892,028	(7,717,643)	41,787,913	3,196,889
Total comprehensive income for the reporting year		9,420,160	9,361,091	-	1,455,632	7,905,459	59,069
Interim dividend relating to 2024 paid	8	(666,500)	(666,500)	-	-	(666,500)	-
Interim dividend relating to 2024 paid to non-controlling interests		(258,876)	-	-	-	-	(258,876)
Acquisition of equity shares from non-controlling interests		(1,160,289)	(108,496)	-	-	(108,496)	(1,051,793)
Closing balance at 31 December 2024		60,493,682	58,548,393	15,892,028	(6,262,011)	48,918,376	1,945,289



STATEMENT OF CHANGES IN EQUITY FOR THE FULL YEAR ENDED 31 DECEMBER 2025

<u>The Company</u>	Note	Total equity S\$	Share capital S\$	Retained earnings S\$
Current year :				
Opening balance at 1 January 2025		21,227,806	15,892,028	5,335,778
Total comprehensive income for the reporting year		4,770,440	-	4,770,440
Final dividend relating to 2024 paid	8	(666,500)	-	(666,500)
Interim dividend relating to 2025 paid	8	(666,500)	-	(666,500)
Closing balance at 31 December 2025		24,665,246	15,892,028	8,773,218
Previous year :				
Opening balance at 1 January 2024		16,190,567	15,892,028	298,539
Total comprehensive income for the reporting year		5,703,739	-	5,703,739
Interim dividend relating to 2024 paid	8	(666,500)	-	(666,500)
Closing balance at 31 December 2024		21,227,806	15,892,028	5,335,778



CONSOLIDATED STATEMENT OF CASHFLOWS FOR THE FULL YEAR ENDED 31 DECEMBER 2025

	Unaudited for the full year ended 31 December 2025	Audited for the full year ended 31 December 2024
	S\$	S\$
Cash flows from operating activities		
Net profit before tax	4,265,861	8,692,788
Adjustments for:		
Depreciation of property, plant and equipment and investment property	1,030,286	966,237
Depreciation of right-of-use assets	294,972	326,467
Finance costs	1,412,254	1,909,787
Gain on disposal of property, plant and equipment	(36,333)	(624,178)
Interest income from banks	(177,551)	(123,374)
Inventory written down	163,018	1,689,628
Share of profit of associated companies	(1,167,459)	(1,222,096)
Changes in fair value of financial assets at fair value through profit and loss	(497)	(44,957)
Changes in fair value of financial liabilities at fair value through profit and loss	21,469	8,690
Operating cash flows before working capital changes	<u>5,806,020</u>	<u>11,578,992</u>
Change in operating assets and liabilities:		
Trade and other receivables	(1,202,471)	703,303
Other current assets	218,323	(891,452)
Inventories	2,155,244	380,193
Trade and other payables	(1,231,877)	(317,620)
Foreign exchanges differences	365,106	67,903
Cash from operations	<u>6,110,345</u>	<u>11,521,319</u>
Income tax paid	(635,850)	(595,899)
Interest received	177,551	123,374
Net cash from operating activities	<u>5,652,046</u>	<u>11,048,794</u>
Cash flows used in investing activities		
Dividends received from associate	512,293	537,913
Purchase of equity shares from non-controlling interests	-	(1,160,289)
Purchase of property, plant and equipment	(14,238,065)	(2,735,332)
Proceeds from sales of property, plant and equipment	36,427	943,819
Net cash used in investing activities	<u>(13,689,345)</u>	<u>(2,413,889)</u>
Cash flows from/(used in) financing activities		
Dividends paid	(1,333,000)	(666,500)
Dividends paid by subsidiary to non-controlling interests	(192,806)	(258,876)
Proceeds from/(repayments of) long term bank loans	6,583,333	(500,000)
(Repayments of)/proceeds from bills payables	(1,317,073)	1,940,567
Proceeds from/(repayments of) short term bank loans	4,909,678	(4,736,990)
Lease liabilities paid	(555,553)	(522,187)
Interest paid	(1,272,942)	(1,768,966)
Net cash from/(used in) financing activities	<u>6,821,637</u>	<u>(6,512,952)</u>
Net (decrease)/increase in cash and cash equivalents	(1,215,662)	2,121,953
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	(68,532)	145,426
Cash and cash equivalents, statement of cash flow, ending balance	<u>14,007,190</u>	<u>15,291,384</u>
Cash and cash equivalents comprised the followings:		
Cash and bank balances	14,007,190	15,968,531
Less : bank overdraft	-	(677,147)
	<u>14,007,190</u>	<u>15,291,384</u>



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 second half year and full year ended 31 December 2025 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 distribution of chemicals and chemical-related products, provision of contract manufacturing of chemicals and investment holding.

1.2 Statement of compliance with financial reporting standards

The condensed interim financial statements for the second half year and full year ended 31 December 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 periods 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 31 December 2025 and the reported amounts of revenues and expenses for the second half year and full year ended 31 December 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		full year ended	
	31 December		31 December (*)	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	S\$	S\$	S\$	S\$
Sale of goods	58,943,985	61,719,698	121,364,966	125,211,604
Rendering of services	<u>1,395,145</u>	<u>1,946,416</u>	<u>3,047,493</u>	<u>3,629,962</u>
Total sales	<u>60,339,130</u>	<u>63,666,114</u>	<u>124,412,459</u>	<u>128,841,566</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 27).

	Sales of goods		Rendering of services	
	full year ended		full year ended	
	31 December (*)		31 December (*)	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	S\$	S\$	S\$	S\$
Group				
Primary geographical markets				
Singapore	43,426,296	48,407,514	3,047,493	3,629,962
Rest of geographical areas	<u>77,938,670</u>	<u>76,804,090</u>	<u>—</u>	<u>—</u>
Total sales	<u>121,364,966</u>	<u>125,211,604</u>	<u>3,047,493</u>	<u>3,629,962</u>

(ii) Seasonality of operations

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

Note :

(*) full year ended 31 December 2025 is unaudited; full year ended 31 December 2024 is audited.



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

4. Other income

	Group			
	unaudited half year ended 31 December		full year ended 31 December (*)	
	<u>2025</u> S\$	<u>2024</u> S\$	<u>2025</u> S\$	<u>2024</u> S\$
Changes in fair value of financial assets at fair value through profit or loss — forward foreign exchange contract	497	44,957	497	44,957
Gain on disposal of property, plant and equipment	27,550	597,778	36,333	624,178
Government grant	21,189	40,193	108,755	42,640
Insurance claims	1,841	4,431,762	22,058	9,673,038
Interest income – banks	88,623	76,599	177,551	123,374
Rental income	7,719	7,511	15,355	14,692
Trade receivables recovered	119,213	80,336	168,736	144,068
Total other income	<u>266,632</u>	<u>5,279,136</u>	<u>529,285</u>	<u>10,666,947</u>

5. Finance costs

	Group			
	unaudited half year ended 31 December		full year ended 31 December (*)	
	<u>2025</u> S\$	<u>2024</u> S\$	<u>2025</u> S\$	<u>2024</u> S\$
Interest expense				
- Bills payable to banks	412,293	516,365	846,733	1,030,295
- Bank loans	177,131	266,729	389,127	656,349
- Bank overdraft	2,330	39,100	14,126	56,179
- Lease liabilities	68,146	71,063	133,111	138,794
- Finance leases	13,630	17,397	29,157	28,170
Total finance costs	<u>673,530</u>	<u>910,654</u>	<u>1,412,254</u>	<u>1,909,787</u>

Note :

(*) full year ended 31 December 2025 is unaudited; full year ended 31 December 2024 is audited.

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (cont'd)
6. Profit before income tax

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

	Group			
	unaudited half year ended 31 December		full year ended 31 December (*)	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	S\$	S\$	S\$	S\$
Cost of inventories	43,491,976	45,389,410	88,964,644	92,543,378
Changes in fair value of financial liabilities at fair value through profit or loss – forward foreign exchange contract	21,469	8,690	21,469	8,690
Demolition and decontamination costs	–	–	–	1,030,772
Depreciation of investment property	1,446	1,408	2,877	2,753
Depreciation of property, plant and equipment	515,742	505,580	1,027,409	963,484
Depreciation of right-of-use assets	147,087	150,737	294,972	326,467
Employee compensation	8,568,145	9,161,105	17,627,232	18,056,903
Impairment of trade receivables	1,729	24,465	22,274	78,860
Inventories written down/(written back)	(477,685)	794,200	163,018	1,689,628
Net foreign exchange translation losses	140,369	529,801	486,597	678,463
Rental on short term leases	125,413	140,523	265,624	262,646
Waste disposal costs	7,835	2,849	11,242	2,777,902
Warehouse storage charges	1,616,795	1,771,536	3,386,834	3,437,877

7. Income tax (income)/expense

	Group			
	unaudited half year ended 31 December		full year ended 31 December (*)	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	S\$	S\$	S\$	S\$
Current period:				
Current tax (income)/expense	64,267	(77,068)	431,264	878,740
Deferred tax (income)/expense	(11,935)	8,660	69,649	25,891
Sub-total	52,332	(68,408)	500,913	904,631
Prior periods:				
Over adjustments for current tax expense	(38,183)	(12,720)	(141,849)	(15,024)
(Over)/under adjustments for deferred tax expense	13	(77,334)	(563)	(110,270)
Sub-total	(38,170)	(90,054)	(142,412)	(125,294)
Total income tax (income)/expense	14,162	(158,462)	358,501	779,337

Note :

(*) full year ended 31 December 2025 is unaudited; full year ended 31 December 2024 is audited.



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

8. Dividends

	Group and Company			
	unaudited half year ended		full year ended	
	31 December		31 December (*)	
	2025	2024	2025	2024
	S\$	S\$	S\$	S\$
Final tax exempt dividend paid of 0.5 cents (2024: tax exempt of NIL cents) per share in respect of previous reporting year	–	–	666,500	–
Interim tax exempt dividend paid of 0.5 cents (2024: tax exempt of 0.5 cents) per share in respect of current reporting year	666,500	666,500	666,500	666,500
Total dividends paid	666,500	666,500	1,333,000	666,500

9. Earnings per ordinary share (in cents)

	Group			
	unaudited half year ended		full year ended	
	31 December		31 December (*)	
	2025	2024	2025	2024
a) Based on weighted average number of ordinary shares in issue	1.61	4.43	2.88	5.93
b) On a fully diluted basis	1.61	4.43	2.88	5.93
Weighted average number of ordinary shares in issue for earnings per share	133,300,000	133,300,000	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
	31 December	31 December	31 December	31 December
	2025	2024	2025	2024
Net asset value per ordinary share based on issued share capital (cents)	46.00	43.92	18.50	15.92
No of ordinary shares used in calculation	133,300,000	133,300,000	133,300,000	133,300,000

Note :

(*) full year ended 31 December 2025 is unaudited; full year ended 31 December 2024 is audited.



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

11. Property, plant and equipment

During the second half year ended 31 December 2025, the Group acquired property, plant and equipment with an aggregate cost of S\$7,780,844 (half year ended 31 December 2024: S\$2,361,303) which include construction in progress of S\$7,541,280 (half year ended 31 December 2024: S\$2,035,426).

During the full year ended 31 December 2025, the Group acquired property, plant and equipment with an aggregate cost of S\$14,238,065 (full year ended 31 December 2024: S\$2,982,549) which include construction in progress of S\$13,516,329 (full year ended 31 December 2024: S\$2,304,823).

Capital commitment of the Group as at 31 December 2025 amounted to S\$3,048,560 (31 December 2024: S\$15,138,501).

12. Right-of-use assets

During the full year ended 31 December 2025, the Group leased new right-of-use assets with an aggregate cost of S\$304,164 (full year ended 31 December 2024: S\$331,713).

13. Investment property

	Group	
	Unaudited 31 December <u>2025</u> S\$	Audited 31 December <u>2024</u> S\$
<u>At cost:</u>		
Balance at beginning of reporting period	127,702	120,774
Currency translation differences	5,519	6,928
Balance at end of reporting period	<u>133,221</u>	<u>127,702</u>
<u>Accumulated depreciation:</u>		
Balance at beginning of reporting period	71,811	65,205
Depreciation charge	2,877	2,753
Currency translation differences	3,217	3,853
Balance at end of reporting period	<u>77,905</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>55,316</u>	<u>55,891</u>
<u>Fair value:</u>		
Fair value at end of reporting period	<u>316,606</u>	<u>303,490</u>

The fair value (Level 2) 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\$227 – S\$231.



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

14. Inventories

	Group		Company	
	Unaudited 31 December 2025 S\$	Audited 31 December 2024 S\$	Unaudited 31 December 2025 S\$	Audited 31 December 2024 S\$
Finished/trading goods	<u>29,035,716</u>	<u>31,742,578</u>	<u>14,417,968</u>	<u>15,514,618</u>

Inventories are stated after allowance. The allowance as at 31 December 2025 amounted to S\$6,759,450 (31 December 2024: S\$7,227,940) and S\$2,714,000 (31 December 2024: S\$2,304,000) for the Group and the Company respectively.

15. Trade and other receivables

	Group		Company	
	Unaudited 31 December 2025 S\$	Audited 31 December 2024 S\$	Unaudited 31 December 2025 S\$	Audited 31 December 2024 S\$
<i>Current :</i>				
<u>Trade receivables:</u>				
Non-related parties	23,879,502	23,287,120	6,310,326	6,776,872
Subsidiaries	–	–	6,957,313	8,004,848
Associate	21,608	12,480	21,608	12,480
Less: allowance for impairment – non-related parties	(327,784)	(432,295)	(49,033)	(49,094)
Less: allowance for impairment – subsidiaries	–	–	(2,330,000)	(2,105,000)
Net trade receivables – subtotal	<u>23,573,326</u>	<u>22,867,305</u>	<u>10,910,214</u>	<u>12,640,106</u>
<u>Other receivables:</u>				
Short term loans to subsidiaries	–	–	1,718,384	1,496,704
Loan term loans to subsidiary	–	–	–	229,167
Subsidiaries	–	–	2,305,315	2,400,285
Non-related parties	568,107	411,739	1,328	1,358
Advance payments to subsidiary	–	–	138,190	147,370
Less: allowance for impairment - subsidiaries	–	–	(1,099,000)	(1,435,000)
Net other receivables – subtotal	<u>568,107</u>	<u>411,739</u>	<u>3,064,217</u>	<u>2,839,884</u>
Total net trade and other receivables - current	<u>24,141,433</u>	<u>23,279,044</u>	<u>13,974,431</u>	<u>15,479,990</u>



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

15. Trade and other receivables (cont'd)

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	Audited	Unaudited	Audited
	31 December 2025 S\$	31 December 2024 S\$	31 December 2025 S\$	31 December 2024 S\$
At fair value:				
Foreign exchange forward contracts (Level 2)	499	44,923	–	–
Total financial assets at FVTPL	<u>499</u>	<u>44,923</u>	<u>–</u>	<u>–</u>

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

	Group		Company	
	Unaudited	Audited	Unaudited	Audited
	31 December 2025 S\$	31 December 2024 S\$	31 December 2025 S\$	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 S\$
Ordinary shares of no par value:		
Balance at 31 December 2024, 30 June 2025 and 31 December 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 period reported on being 30 June 2025.

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 31 December 2025 and 31 December 2024.

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

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



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

19. Borrowings

	Group		Company	
	Unaudited	Audited	Unaudited	Audited
	31 December 2025 S\$	31 December 2024 S\$	31 December 2025 S\$	31 December 2024 S\$
<i>Current :</i>				
Bank overdraft (unsecured)	–	677,147	–	–
Bill payables (unsecured)	12,271,371	13,918,794	6,979,434	10,814,190
Short term bank loans (unsecured)	10,829,438	8,919,760	10,829,438	8,119,760
Long term bank loans (unsecured)	–	416,667	–	416,667
Unsecured sub-total	23,100,809	23,932,368	17,808,872	19,350,617
Bill payables (secured)	1,598,827	1,308,350	–	–
Short term bank loans (secured)	3,000,000	–	3,000,000	–
Long term bank loans (secured)	750,000	–	750,000	–
Secured sub-total	5,348,827	1,308,350	3,750,000	–
Current, total	28,449,636	25,240,718	21,558,872	19,350,617
<i>Non-current:</i>				
Long term bank loans (secured)	6,250,000	–	6,250,000	–
Non-current, total	6,250,000	–	6,250,000	–
Total borrowings	34,699,636	25,240,718	27,808,872	19,350,617

The secured long term and short term bank loans as at 31 December 2025 is secured by way of mortgage over warehouse building at 132 Pioneer Road, Singapore.

The secured bill payables as at 31 December 2025 and 31 December 2024 are collateralised on fixed and floating charges over the present and future assets and undertaking of certain subsidiaries.

The Group and the Company comply with all bank covenants for the second half year and full year ended 31 December 2025.

20. Trade and other payables

	Group		Company	
	Unaudited	Audited	Unaudited	Audited
	31 December 2025 S\$	31 December 2024 S\$	31 December 2025 S\$	31 December 2024 S\$
<u>Trade payables:</u>				
Non-related parties	5,984,289	6,307,974	2,657,452	2,603,229
Associates	130	7,285	–	–
Related parties	–	–	–	–
Subsidiaries	–	–	390,315	263,001
Trade payables – subtotal	5,984,419	6,315,259	3,047,767	2,866,230



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

20. Trade and other payables (cont'd)

	Group		Company	
	Unaudited	Audited	Unaudited	Audited
	31 December	31 December	31 December	31 December
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	S\$	S\$	S\$	S\$
<u>Other payables:</u>				
Associates	18,203	15,551	15,485	12,672
Subsidiaries	–	–	10,101	64,026
Loan from subsidiary	–	–	494,715	523,904
Advance payments from customers	129,124	213,690	39,808	8,758
Advance payments from subsidiary	–	–	–	141,486
Accrued liabilities	4,661,483	6,468,504	1,654,059	3,469,215
Other payables	<u>2,787,962</u>	<u>1,935,134</u>	<u>1,725,620</u>	<u>847,693</u>
Other payables – subtotal	<u>7,596,772</u>	<u>8,632,879</u>	<u>3,939,788</u>	<u>5,067,754</u>
Total trade and other payables	<u>13,581,191</u>	<u>14,948,138</u>	<u>6,987,555</u>	<u>7,933,984</u>

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

	Group		Company	
	Unaudited	Audited	Unaudited	Audited
	31 December	31 December	31 December	31 December
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	S\$	S\$	S\$	S\$
<u>At fair value:</u>				
Foreign exchange forward contracts (Level 2)	21,555	8,684	–	567
Total financial liabilities at FVTPL	<u>21,555</u>	<u>8,684</u>	<u>–</u>	<u>567</u>

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 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.



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

23. Categories of financial assets and liabilities

	Group		Company	
	Unaudited 31 December 2025 S\$	Audited 31 December 2024 S\$	Unaudited 31 December 2025 S\$	Audited 31 December 2024 S\$
<u>Financial assets</u>				
Financial assets at amortised cost	38,148,623	39,247,575	15,875,431	17,345,710
Financial assets at FVTOCI	1,351,100	1,351,100	1,351,100	1,351,100
Financial assets at FVTPL	499	44,923	–	–
At end of the reporting period	<u>39,500,222</u>	<u>40,643,598</u>	<u>17,226,531</u>	<u>18,696,810</u>
<u>Financial liabilities</u>				
Financial liabilities at amortised cost	51,164,286	43,082,962	36,230,470	28,752,001
Financial liabilities at FVTPL	21,555	8,684	–	567
At end of the reporting period	<u>51,185,841</u>	<u>43,091,646</u>	<u>36,230,470</u>	<u>28,752,568</u>

24. Contingent liabilities

	Company	
	Unaudited 31 December 2025 S\$	Audited 31 December 2024 S\$
Undertaking to provide continuing financial support to subsidiaries with net liabilities amounted to:		
Megachem Australia Pty Ltd	1,131,000	1,481,000
Megachem Speciality Chemicals (I) Private Limited	844,000	812,000
Corporate guarantee provided to banks on subsidiaries' loans payable	<u>6,890,764</u>	<u>5,890,101</u>

25. Related party transactions

	Group			
	unaudited half year ended 31 December		full year ended 31 December (*)	
	2025 S\$	2024 S\$	2025 S\$	2024 S\$
<u>Associates</u>				
Sales of inventories	136,750	75,383	265,806	219,051
Purchases of inventories	<u>(24,479)</u>	<u>(40,313)</u>	<u>(36,995)</u>	<u>(87,567)</u>
<u>Related parties</u>				
Purchases of inventories ^(a)	<u>(228,430)</u>	<u>(367,967)</u>	<u>(538,384)</u>	<u>(654,899)</u>

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

Note :

(*) full year ended 31 December 2025 is unaudited; full year ended 31 December 2024 is audited.



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

25. Related party transactions (cont'd)

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 for the full year ended 31 December 2025.

The Group purchased products from Chori Co., Ltd and its related corporations amounting to S\$538,384 in the full year ended 31 December 2025.

Name of interested person	Aggregate value of all interested person transactions during the full year ended 31 December 2025 under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions during the full year ended 31 December 2025 conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$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\$459,941

26. Subsequent Event

Subsequent to the reporting year end, the Group received an additional insurance compensation of S\$1.2 million from its insurer in January 2026 as a result of the fire incident which occurred in 2023. The total insurance proceeds received to date amount to S\$13.7 million. The insurance claim process remains ongoing, and any further insurance recoveries are subject to approval by the insurer.

The insurance proceeds received in January 2026 are expected to contribute positively to the Group's financial performance for the financial year ending 31 December 2026.

This subsequent event does not give rise to adjustments to the financial statements for the financial year ended 31 December 2025, as the insurance proceeds were received after the reporting year end.



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

27. Financial information by operating 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\$
For the reporting year ended 31 December 2025								
Sales								
Total sales by segment	52,945,496	12,383,505	18,666,504	17,362,413	11,734,639	22,549,732	-	135,642,289
Inter-segment sales	(6,471,707)	(516,198)	(911,098)	(3,132,209)	(57,030)	(141,588)	-	(11,229,830)
	<u>46,473,789</u>	<u>11,867,307</u>	<u>17,755,406</u>	<u>14,230,204</u>	<u>11,677,609</u>	<u>22,408,144</u>	<u>-</u>	<u>124,412,459</u>
Segment result								
Interest income - bank	1,583,193	1,188,284	5,509	558,792	366,018	631,309	-	4,333,105
Finance costs	-	-	-	-	-	-	177,551	177,551
Share of profit of associates	-	-	-	-	-	-	(1,412,254)	(1,412,254)
Profit before income tax							<u>1,167,459</u>	<u>1,167,459</u>
Income tax expense	-	-	-	-	-	-	(67,244)	4,265,861
	-	-	-	-	-	-	<u>(358,501)</u>	<u>(358,501)</u>
Net profit	<u>1,583,193</u>	<u>1,188,284</u>	<u>5,509</u>	<u>558,792</u>	<u>366,018</u>	<u>631,309</u>	<u>(425,745)</u>	<u>3,907,360</u>
Other segment items								
Capital expenditure	13,829,750	226,324	-	15,713	9,969	156,309	-	14,238,065
Depreciation	726,755	287,231	100,200	73,238	5,361	132,473	-	1,325,258



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

27. Financial information by operating segments (cont'd)

	<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\$
For the reporting year ended 31 December 2025								
Segment assets	49,350,824	16,227,958	6,272,465	7,354,228	6,882,879	13,775,480	-	99,863,834
Associates	-	-	-	-	-	-	10,228,665	10,228,665
Deferred tax assets	-	-	-	-	-	-	974,458	974,458
Interest earning cash balances	-	-	-	-	-	-	3,942,491	3,942,491
Consolidated total assets	49,350,824	16,227,958	6,272,465	7,354,228	6,882,879	13,775,480	15,145,614	115,009,448
Segment liabilities	(9,373,550)	(1,037,619)	(1,973,899)	(1,253,593)	(991,228)	(1,985,440)	-	(16,615,329)
Borrowings	-	-	-	-	-	-	(34,699,636)	(34,699,636)
Current income tax liabilities	-	-	-	-	-	-	(58,698)	(58,698)
Deferred tax liabilities	-	-	-	-	-	-	(573,261)	(573,261)
Consolidated total liabilities	(9,373,550)	(1,037,619)	(1,973,899)	(1,253,593)	(991,228)	(1,985,440)	(35,331,595)	(51,946,924)



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

27. Financial information by operating segments (cont'd)

	<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\$
For the reporting year ended 31 December 2024								
Sales								
Total sales by segment	60,996,410	14,230,922	19,003,484	12,932,395	11,099,722	24,778,702	-	143,041,635
Inter-segment sales	(8,958,934)	(277,978)	(1,120,651)	(3,234,007)	(74,831)	(533,668)	-	(14,200,069)
	<u>52,037,476</u>	<u>13,952,944</u>	<u>17,882,833</u>	<u>9,698,388</u>	<u>11,024,891</u>	<u>24,245,034</u>	<u>-</u>	<u>128,841,566</u>
Segment result								
Interest income - bank	-	-	-	-	-	-	123,374	123,374
Finance costs	-	-	-	-	-	-	(1,909,787)	(1,909,787)
Share of profit of associates	-	-	-	-	-	-	1,222,096	1,222,096
Profit before income tax	-	-	-	-	-	-	(564,317)	8,692,788
Income tax expense	-	-	-	-	-	-	(779,337)	(779,337)
Net profit/(loss)	<u>7,159,306</u>	<u>1,923,082</u>	<u>72,693</u>	<u>419,727</u>	<u>229,326</u>	<u>(547,029)</u>	<u>(1,343,654)</u>	<u>7,913,451</u>
Other segment items								
Capital expenditure	2,905,983	12,329	17,757	3,833	1,538	41,109	-	2,982,549
Depreciation	660,046	276,056	94,919	72,307	36,386	152,990	-	1,292,704



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

27. Financial information by operating segments (cont'd)

	<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\$
For the reporting year ended 31 December 2024								
Segment assets	38,754,107	17,955,462	6,540,490	5,465,016	6,995,168	14,857,743	-	90,567,986
Associates	-	-	-	-	-	-	9,352,224	9,352,224
Deferred tax assets	-	-	-	-	-	-	925,283	925,283
Interest earning cash balances	-	-	-	-	-	-	3,680,585	3,680,585
Consolidated total assets	38,754,107	17,955,462	6,540,490	5,465,016	6,995,168	14,857,743	13,958,092	104,526,078
Segment liabilities	(10,713,859)	(997,179)	(2,204,219)	(1,457,649)	(932,348)	(1,759,364)	-	(18,064,618)
Borrowings	-	-	-	-	-	-	(25,240,718)	(25,240,718)
Current income tax liabilities	-	-	-	-	-	-	(272,060)	(272,060)
Deferred tax liabilities	-	-	-	-	-	-	(455,000)	(455,000)
Consolidated total liabilities	(10,713,859)	(997,179)	(2,204,219)	(1,457,649)	(932,348)	(1,759,364)	(25,967,778)	(44,032,396)

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (cont'd)
27. Financial information by operating segments (cont'd)

	<u>Distribution</u> S\$	<u>Manufacturing</u> S\$	<u>Unallocated</u> S\$	<u>Group</u> S\$
For the reporting year ended				
31 December 2025				
Sales				
Total sales by segment	121,258,826	4,145,237	-	125,404,063
Inter-segment sales	(119,883)	(871,721)	-	(991,604)
	<u>121,138,943</u>	<u>3,273,516</u>	<u>-</u>	<u>124,412,459</u>
Segment result				
Segment result	4,300,323	32,782	-	4,333,105
Interest income - bank			177,551	177,551
Finance costs			(1,412,254)	(1,412,254)
Share of profit of associates			1,167,459	1,167,459
Profit before income tax			(67,244)	4,265,861
Income tax expense			(358,501)	(358,501)
Net profit	<u>4,300,323</u>	<u>32,782</u>	<u>(425,745)</u>	<u>3,907,360</u>
Other segment items				
Capital expenditure	13,972,699	265,366	-	14,238,065
Depreciation	952,360	372,898	-	1,325,258
Segment assets				
Segment assets	93,934,383	5,929,451	-	99,863,834
Associates	-	-	10,228,665	10,228,665
Deferred tax assets	-	-	974,458	974,458
Interest earning cash balances	-	-	3,942,491	3,942,491
Consolidated total assets	<u>93,934,383</u>	<u>5,929,451</u>	<u>15,145,614</u>	<u>115,009,448</u>
Segment liabilities				
Segment liabilities	(14,747,226)	(1,868,103)	-	(16,615,329)
Borrowings	-	-	(34,699,636)	(34,699,636)
Current income tax liabilities	-	-	(58,698)	(58,698)
Deferred income tax liabilities	-	-	(573,261)	(573,261)
Consolidated total liabilities	<u>(14,747,226)</u>	<u>(1,868,103)</u>	<u>(35,331,595)</u>	<u>(51,946,924)</u>



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

27. Financial information by operating segments (cont'd)

	<u>Distribution</u> S\$	<u>Manufacturing</u> S\$	<u>Unallocated</u> S\$	<u>Group</u> S\$
For the reporting year ended 31 December 2024				
Sales				
Total sales by segment	125,062,607	4,716,255	-	129,778,862
Inter-segment sales	(142,737)	(794,559)	-	(937,296)
	<u>124,919,870</u>	<u>3,921,696</u>	<u>-</u>	<u>128,841,566</u>
Segment result				
	8,338,315	918,790	-	9,257,105
Interest income - bank			123,374	123,374
Finance costs			(1,909,787)	(1,909,787)
Share of profit of associates			1,222,096	1,222,096
Profit before income tax			(564,317)	8,692,788
Income tax expense			(779,337)	(779,337)
Net profit	<u>8,338,315</u>	<u>918,790</u>	<u>(1,343,654)</u>	<u>7,913,451</u>
Other segment items				
Capital expenditure	2,738,882	243,667	-	2,982,549
Depreciation	960,281	332,423	-	1,292,704
Segment assets				
	83,725,901	6,842,085	-	90,567,986
Associates	-	-	9,352,224	9,352,224
Deferred tax assets	-	-	925,283	925,283
Interest earning cash balances	-	-	3,680,585	3,680,585
Consolidated total assets	<u>83,725,901</u>	<u>6,842,085</u>	<u>13,958,092</u>	<u>104,526,078</u>
Segment liabilities				
	(16,137,655)	(1,926,963)	-	(18,064,618)
Borrowings	-	-	(25,240,718)	(25,240,718)
Current income tax liabilities	-	-	(272,060)	(272,060)
Deferred tax liabilities	-	-	(455,000)	(455,000)
Consolidated total liabilities	<u>(16,137,655)</u>	<u>(1,926,963)</u>	<u>(25,967,778)</u>	<u>(44,032,396)</u>

OTHER INFORMATION

AUDIT

The statements of financial position as at 31 December 2025 and the related consolidated statement of profit or loss and consolidated statement of comprehensive income for the half year and financial year then ended, statements of changes in equity and consolidated statement of cash flows for the financial year 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 year ended 31 December 2023, half year and full year ended 31 December 2024 and 31 December 2025 are estimated as follows:

	<u>To-date</u>	<u>H2 2025</u>	<u>H1 2025</u>	<u>H2 2024</u>	<u>H1 2024</u>	<u>H2 2023</u>
<u>Income:</u>	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Insurance claims income	12,467	-	-	4,408	4,910	3,149
<u>Expenses/loss:</u>						
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 warehouse.

Profitability Highlights	H2 2025	H1 2025	H2 2025 vs H1 2025		H2 2025 vs H2 2024		
			Variance	Fav/(Unfav)	H2 2024	Variance	Fav/(Unfav)
Sales (S\$'mil)	60.3	64.1	(3.8)	(5.8%)	63.7	(3.4)	(5.2%)
Gross profit (S\$'mil)	15.7	16.1	(0.4)	(2.1%)	15.7	-	0.1%
<i>Adjusted gross profit (S\$'mil)</i>	<i>15.7</i>	<i>16.1</i>	<i>(0.4)</i>	<i>(2.1%)</i>	<i>15.9</i>	<i>(0.2)</i>	<i>(1.0%)</i>
Gross profit margin	26.1%	25.1%	1.0%	na	24.7%	1.4%	na
<i>Adjusted gross profit margin</i>	<i>26.1%</i>	<i>25.1%</i>	<i>1.0%</i>	<i>na</i>	<i>25.0%</i>	<i>1.1%</i>	<i>na</i>
Total operating expenses and finance costs (S\$'mil)	14.2	15.0	0.8	5.2%	15.7	1.5	9.4%
<i>Adjusted total operating expenses and finance costs (S\$'mil)</i>	<i>14.2</i>	<i>15.0</i>	<i>0.8</i>	<i>5.2%</i>	<i>15.7</i>	<i>1.5</i>	<i>9.4%</i>
Other income (S\$'000)	267	269	(2)	(0.9%)	5,279	(5,012)	(94.9%)
<i>Adjusted other income (S\$'000)</i>	<i>267</i>	<i>269</i>	<i>(2)</i>	<i>(0.9%)</i>	<i>871</i>	<i>(604)</i>	<i>(69.4%)</i>
Share of profit of associates (S\$'000)	428	739	(311)	(42.1%)	495	(67)	(13.4%)
Profit before income tax (S\$'mil)	2.2	2.1	0.1	6.8%	5.8	(3.6)	(61.8%)
Net profit (S\$'mil)	2.2	1.7	0.5	27.4%	5.9	(3.7)	(63.1%)
<i>Adjusted net profit (S\$'mil)</i>	<i>2.2</i>	<i>1.7</i>	<i>0.5</i>	<i>27.4%</i>	<i>1.3</i>	<i>0.9</i>	<i>67.1%</i>

REVIEW OF PERFORMANCE (cont'd)
Key Financial Highlights (cont'd)

Profitability Highlights	H2 2025	H1 2025	H2 2025 vs H1 2025		H2 2024	H2 2025 vs H2 2024	
			Variance Fav/(Unfav)			Variance Fav/(Unfav)	
Net profit margin	3.6%	2.7%	0.9%	na	9.3%	(5.7%)	na
<i>Adjusted net profit margin</i>	<i>3.6%</i>	<i>2.7%</i>	<i>0.9%</i>	<i>na</i>	<i>2.1%</i>	<i>1.5%</i>	<i>na</i>
EBITDA (S\$mil)	3.4	3.4	-	2.3%	7.3	(3.9)	(52.5%)
EBITDA margin	5.7%	5.3%	0.4%	na	11.4%	(5.7%)	na
Earnings per share attributable to equity holders of the Company (cents)	1.61	1.26	0.35	27.8%	4.43	(2.82)	(63.7%)

Profitability Highlights	FY 2025	FY 2024	FY 2025 vs FY 2024	
			Variance Fav/(Unfav)	
Sales (S\$mil)	124.4	128.8	(4.4)	(3.4%)
Gross profit (S\$mil)	31.8	31.2	0.6	1.8%
<i>Adjusted gross profit (S\$mil)</i>	<i>31.8</i>	<i>31.5</i>	<i>0.3</i>	<i>0.9%</i>
Gross profit margin	25.6%	24.2%	1.4%	na
<i>Adjusted gross profit margin</i>	<i>25.6%</i>	<i>24.5%</i>	<i>1.1%</i>	<i>na</i>
Total operating expenses and finance cost (S\$mil)	29.2	34.4	5.2	15.1%
<i>Adjusted total operating expenses and finance cost (S\$mil)</i>	<i>29.2</i>	<i>30.3</i>	<i>1.1</i>	<i>3.6%</i>
Other income (S\$'000)	529	10,667	(10,138)	(95.0%)
<i>Adjusted other income (S\$'000)</i>	<i>529</i>	<i>1,349</i>	<i>(820)</i>	<i>(60.8%)</i>
Share of profit of associates (S\$'000)	1,167	1,222	(55)	(4.5%)
Profit before income tax (S\$mil)	4.3	8.7	(4.4)	(50.9%)
Net profit (S\$mil)	3.9	7.9	(4.0)	(50.6%)
<i>Adjusted net profit (S\$mil)</i>	<i>3.9</i>	<i>2.9</i>	<i>1.0</i>	<i>31.1%</i>
Net profit margin	3.1%	6.1%	(3.0%)	na
<i>Adjusted net profit margin</i>	<i>3.1%</i>	<i>2.3%</i>	<i>0.8%</i>	<i>na</i>
EBITDA (S\$mil)	6.8	11.8	(5.0)	(42.0%)
EBITDA margin	5.5%	9.1%	(3.6%)	na
Earnings per share attributable to equity holders of the Company (cents)	2.88	5.93	(3.05)	(51.4%)

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

REVIEW OF PERFORMANCE (cont'd)

Profitability Review

(a) Sales

			Variance Fav/(Unfav)				Variance Fav/(Unfav)	
	H2 2025	H1 2025	H2 2025 vs H1 2025		H2 2024	H2 2025 vs H2 2024		
	S\$'000	S\$'000	S\$'000	%	S\$'000	S\$'000	%	
ASEAN	32,529	35,594	(3,065)	(8.6)	36,639	(4,110)	(11.2)	
Europe	7,613	8,487	(874)	(10.3)	7,730	(117)	(1.5)	
North Asia	8,091	7,784	307	3.9	7,060	1,031	14.6	
Middle East	5,183	6,388	(1,205)	(18.9)	5,637	(455)	(8.1)	
Australia	4,742	3,722	1,020	27.4	4,543	199	4.4	
South Asia	1,995	1,769	226	12.8	1,910	86	4.5	
America	49	209	(160)	(76.6)	61	(12)	(19.7)	
Africa	137	120	17	14.2	86	51	59.3	
Total	60,339	64,073	(3,734)	(5.8)	63,666	(3,327)	(5.2)	

	FY 2025		FY 2024		Variance Fav/(Unfav)	
	S\$'000	%	S\$'000	%	S\$'000	%
ASEAN	68,123	54.8	74,252	57.7	(6,129)	(8.3)
Europe	16,100	12.9	16,284	12.6	(184)	(1.1)
North Asia	15,875	12.8	12,451	9.7	3,424	27.5
Middle East	11,571	9.3	10,987	8.5	584	5.3
Australia	8,464	6.8	10,216	7.9	(1,752)	(17.1)
South Asia	3,764	3.0	4,246	3.3	(482)	(11.4)
America	258	0.2	166	0.1	92	55.4
Africa	257	0.2	240	0.2	17	7.1
Total	124,412	100.0	128,842	100.0	(4,430)	3.4

Geographic Segment Sales Analysis

H2 2025 vs H1 2025

Demand for chemicals contracted in the second half of 2025 ("H2 2025"). Except for Australia, Africa and North Asia and South Asia markets, most of our markets recorded lower sales in H2 2025 over first half of 2025 ("H1 2025"). The biggest decrease came from ASEAN market which recorded lower sales of S\$3.1 million or 8.6% as compared to H1 2025. This was followed by Middle East and Europe markets which recorded a dip in sales of S\$1.2 million or 18.9% and S\$0.9 million or 10.3% respectively. Other market such as America market fell by S\$0.2 million.

Sales to Australia, North Asia and South Asia markets increased by S\$1.0 million or 27.4%, S\$0.3 million or 3.9% and S\$0.2 million or 12.8% respectively.

As a result, total sales decreased by S\$3.7 million or 5.8% to S\$60.3 million in H2 2025 vis-à-vis sales of S\$64.1 million in H1 2025.

H2 2025 vs H2 2024

As compared to second half of 2024 ("H2 2024"), total sales decreased by S\$3.3 million or 5.2%. The biggest decrease came from ASEAN market which recorded lower sales of S\$4.1 million or 11.2% as compared to H2 2024 while sales to Middle East and Europe markets recorded a decrease of S\$0.5 million or 8.1% and S\$0.1 million or 1.5% respectively.

On the other hand, North Asia market recorded an increase in sales of S\$1.0 million or 14.6% while sales to each of our Africa, Australia and South Asia markets grew by S\$0.1 million to S\$0.2 million.

REVIEW OF PERFORMANCE (cont'd)

Profitability Review (cont'd)

(a) Sales (cont'd)

FY 2025 vs FY 2024

As compared to the full year of 2024 ("FY 2024"), sales decreased by S\$4.4 million or 3.4% to S\$124.4 million for the full year of 2025 ("FY 2025"). Sales to ASEAN, Australia and South Asia markets decreased by S\$6.1 million or 8.3%, S\$1.8 million or 17.1% and S\$0.5 million or 11.4% respectively. Other markets such as Europe market recorded lower sales of S\$0.2 million.

Sales to North Asia and Middle East markets recorded an increase of S\$3.4 million or 27.5% and S\$0.6 million or 5.3% respectively while Africa and America recorded smaller increase of less than S\$0.1 million.

Business Activity Segment Sales Breakdown

			Variance Fav/(Unfav)				Variance Fav/(Unfav)	
	H2 2025	H1 2025	H2 2025 vs H1 2025		H2 2024	H2 2025 vs H2 2024		
	S\$'000	S\$'000	S\$'000	%	S\$'000	S\$'000	%	
Distribution activity	58,811	62,328	(3,517)	(5.6)	61,575	(2,764)	(4.5)	
Manufacturing activity	1,528	1,745	(217)	(12.4)	2,091	(563)	(26.9)	
Total Sales	60,339	64,073	(3,734)	(5.8)	63,666	(3,327)	(5.2)	
			Variance Fav/(Unfav)					
	FY 2025	FY 2024	S\$'000	%				
	S\$'000	S\$'000	S\$'000	%				
Distribution activity	121,139	124,920	(3,781)	(3.0)				
Manufacturing activity	3,273	3,922	(649)	(16.5)				
Total Sales	124,412	128,842	(4,430)	(3.4)				

H2 2025 vs H1 2025

H2 2025 vs H2 2024

Sales from distribution segments contracted by S\$3.5 million or 5.6% and S\$2.8 million or 4.5% over H1 2025 and H2 2024 respectively.

Sales from the contract manufacturing segment decreased by S\$0.2 million or 12.4% and S\$0.6 million or 26.9% in H2 2025 over H1 2025 and H2 2024 respectively.

FY 2025 vs FY 2024

Year-on-year, sales from distribution and manufacturing segments decreased by S\$3.8 million or 3.0% and S\$0.6 million or 16.5% respectively.

(b) Gross profit

H2 2025 vs H1 2025

H2 2025 vs H2 2024

Gross profit margin improved in H2 2025 (26.1%) as compared to H1 2025 (25.1%) and H2 2024 (24.7%). This was mainly due to lower allowance for inventory impairment in H2 2025 over H1 2025 and H2 2024.

REVIEW OF PERFORMANCE (cont'd)

Profitability Review (cont'd)

(b) Gross profit (cont'd)

Due to lower sales achieved in H2 2025, gross profit decreased by S\$0.4 million or 2.1% over H1 2025 but was relatively flat as compared to H2 2024.

FY 2025 vs FY 2024

Gross profit margin for FY 2025 improved to 25.6% as compared to 24.2% in FY 2024 mainly due to lower allowance for inventory impairment. As a result, gross profit increased year-on-year by S\$0.6 million or 1.8% to S\$31.8 million despite a decline in sales in FY 2025.

(c) Other income

			Variance Fav/(Unfav)				Variance Fav/(Unfav)	
	H2 2025	H1 2025	H2 2025 vs H1 2025		H2 2024	H2 2025 vs H2 2024		
	S\$'000	S\$'000	S\$'000	%	S\$'000	S\$'000	%	
Change in fair value of financial assets at FVTPL								
- forward foreign exchange contracts	-	6	(6)	(92.1)	45	(45)	(98.9)	
Gain on disposal of property, plant and equipment	28	9	19	> 100.0	598	(570)	(95.4)	
Grant income	21	88	(67)	(75.8)	40	(19)	(47.3)	
Insurance claims	2	20	(18)	(90.9)	4,432	(4,430)	(100.0)	
Interest income	89	89	-	-	77	12	15.7	
Trade receivables recovered	119	49	70	> 100.0	80	39	48.4	
	FY 2025	FY 2024	Variance Fav/(Unfav)					
	S\$'000	S\$'000	S\$'000	%				
Change in fair value of financial assets at FVTPL								
- forward foreign exchange contracts	-	45	(45)	(98.9)				
Gain on disposal of property, plant and equipment	36	624	(588)	(94.2)				
Grant income	109	43	66	> 100.0				
Insurance claims	22	9,673	(9,651)	(99.8)				
Interest income	178	123	55	43.9				
Trade receivables recovered	169	144	25	17.1				

REVIEW OF PERFORMANCE (cont'd)

Profitability Review (cont'd)

(c) Other income (cont'd)

H2 2025 vs H1 2025

Other income was relatively flat in H2 2025 as compared to H1 2025. Higher trade receivables recovered and gain on disposal of property, plant and equipment was offset by lower grant income and insurance compensation claims.

H2 2025 vs H2 2024

The decrease in other income of S\$5.0 million was mainly due to lower insurance compensation claims of S\$4.4 million and lower gain on disposal of property, plant and equipment of S\$0.6 million.

FY 2025 vs FY 2024

Similarly, the decrease in other income of S\$10.1 million was mainly due to lower insurance compensation claims of S\$9.7 million and lower gain on disposal of property, plant and equipment of S\$0.6 million. The decrease was partly offset by higher grant income and interest income.

(d) Operating expenses

			Variance Fav/(Unfav)		Variance Fav/(Unfav)		
	H2 2025	H1 2025	H2 2025 vs H1 2025	H2 2024	H2 2025 vs H2 2024		
	S\$'000	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Change in fair value of financial liabilities at FVTPL							
- forward foreign exchange contracts	22	32	10	33.2	9	(13)	(> 100.0)
Depreciation of property, plant and equipment	458	463	5	1.1	468	10	2.2
Depreciation of right-of-use assets	147	148	1	0.5	151	4	2.4
Employee compensation	8,079	8,522	443	5.2	8,552	473	5.5
Insurance expenses	321	349	28	8.2	243	(78)	(31.8)
Net foreign exchange loss	140	320	180	56.2	526	386	73.3
Professional fees	432	348	(84)	(24.1)	586	154	26.3
Transport charges	442	400	(42)	(10.4)	507	65	12.8
Travelling expenses	476	384	(92)	(24.2)	497	21	4.1
Warehouse storage charges	1,617	1,770	153	8.7	1,772	155	8.7

REVIEW OF PERFORMANCE (cont'd)

Profitability Review (cont'd)

(d) Operating expenses (cont'd)

	FY 2025 S\$'000	FY 2024 S\$'000	Variance S\$'000	Fav/(Unfav) %
Change in fair value of financial liabilities at FVTPL				
- forward foreign exchange contracts	22	9	(13)	(> 100.0)
Demolition and decontamination costs	-	1,031	1,031	N.M
Depreciation of property, plant and equipment	921	896	(25)	(2.8)
Depreciation of right-of-use assets	295	327	32	9.6
Employee remuneration	16,601	16,953	352	2.1
Insurance expenses	670	581	(89)	(15.2)
Net foreign exchange loss	486	678	192	28.3
Professional fees	780	965	185	19.1
Transport charges	842	913	71	7.8
Travelling expenses	860	888	28	3.2
Waste disposal costs	11	2,778	2,767	99.6
Warehouse storage charges	3,387	3,438	51	1.5

N.M : not meaningful as demolition and decontamination costs incurred in FY 2024 were related to the fire incident.

H2 2025 vs H1 2025

Operating expenses for H2 2025 decreased by S\$0.7 million or 5.1% to S\$13.6 million as compared to H1 2025 (S\$14.3 million). The decrease was mainly related to lower employee remuneration of S\$0.4 million, lower warehouse storage charges and lower net foreign exchange losses of S\$0.2 million each. The decrease was partially offset by higher professional fees and travelling expenses of S\$0.1 million each.

H2 2025 vs H2 2024

As compared to H2 2024 (S\$14.8 million), operating expenses decreased by S\$1.2 million or 8.5%. Similarly, the decrease was mainly due to lower employee remuneration of S\$0.5 million, lower foreign exchange losses of S\$0.4 million, lower warehouse storage charges and professional fees of S\$0.2 million each.

FY 2025 vs FY 2024

Year-on-year, operating expenses for FY 2025 decreased by S\$4.7 million or 14.4% to S\$27.8 million. The decrease was mainly related to the fire incident. Demolition and decontamination costs and waste disposal costs totalled of S\$3.8 million were incurred in FY 2024.

Other decrease in expenses were employee remuneration of S\$0.4 million, net foreign exchange losses of S\$0.2 million, professional fees of S\$0.2 million and transport charges of S\$0.1 million. On the other hand, insurance expenses increased by S\$0.1 million.

REVIEW OF PERFORMANCE (cont'd)

Profitability Review (cont'd)

(e) Finance costs

Finance costs comprised the following:-

			Variance Fav/(Unfav)				Variance Fav/(Unfav)	
	H2 2025	H1 2025	H2 2025 vs H1 2025		H2 2024	H2 2025 vs H2 2024		
	S\$'000	S\$'000	S\$'000	%	S\$'000	S\$'000	%	
Bills payables	412	435	23	5.1	516	104	20.2	
Bank loans	177	212	35	16.5	267	90	33.6	
Bank overdraft	2	12	10	80.2	39	37	94.0	
Finance leases	14	15	1	12.2	18	4	21.7	
Lease liabilities	68	65	(3)	(4.9)	71	3	4.1	
Total finance costs	673	739	66	8.8	911	238	26.0	

	FY 2025	FY 2024	Variance Fav/(Unfav)	
	S\$'000	S\$'000	S\$'000	%
Bills payables	847	1,030	183	17.8
Bank loans	389	657	268	40.7
Bank overdraft	14	56	42	74.9
Finance leases	29	28	(1)	(3.5)
Lease liabilities	133	139	6	4.1
Total finance costs	1,412	1,910	498	26.1

H2 2025 vs H1 2025

H2 2025 vs H2 2024

Finance costs for H2 2025 decreased by S\$66,000 or 8.8% over H1 2025 mainly due to lower interest rates. As compared to H2 2024, the decrease in finance costs of S\$238,000 or 26.0% was mainly due to lower trade borrowings.

FY 2025 vs FY 2024

The decrease in finance costs year-on-year of S\$498,000 or 26.1% was mainly due to lower interest rates and trade borrowings.

(f) Share of profit of associates

H2 2025 vs H1 2025

H2 2025 vs H2 2024

Our share of profit of associates for H2 2025 decreased by S\$0.3 million or 42.1% as compared to H1 2025.

Vis-à-vis H2 2024, our share of profit of associates for H2 2025 decreased by S\$67,000 or 13.4%.



REVIEW OF PERFORMANCE (cont'd)

Profitability Review (cont'd)

(f) Share of profit of associates

FY 2025 vs FY 2024

Our share of profit of associates for FY 2025 decreased by S\$55,000 or 4.5% as compared to FY 2024.

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

H2 2025 vs H1 2025

Profit before tax for H2 2025 increased by S\$0.1 million or 6.8% to S\$2.2 million as compared to profit before tax of S\$2.1 million in H1 2025. Similarly, EBITDA in H2 2025 was relatively unchanged at S\$3.4 million. The increase in profitability was primarily due to lower expenses offset by lower gross profit and lower share of profits of associates.

Due to lower income tax expenses in H2 2025, net profit after tax was S\$2.2 million in H2 2025 as compared to S\$1.7 million in H1 2025.

H2 2025 vs H2 2024

As compared to H2 2024, H2 2025 profit before tax and EBITDA decreased by S\$3.6 million or 61.8% and S\$3.9 million or 52.5% respectively. This was mainly due to lower other income (primarily lower insurance compensation claims and lower gain on disposal of property, plant and equipment) offset by lower expenses (primarily the absence of expenses incurred as a result of the fire).

After adjusting for the impact of the fire incident, H2 2025 net profit after tax would have increased by S\$0.9 million or 67.1% over H2 2024.

FY 2025 vs FY 2024

Profit before tax of S\$4.3 million was recorded in FY 2025 as compared to profit before tax of S\$8.7 million in FY 2024. Similarly, EBITDA was S\$6.8 million in FY 2025 as compared to \$11.8 million in FY 2024. With lower income tax expense of S\$0.4 million, net profit after tax for FY 2025 was S\$3.9 million vis-à-vis S\$7.9 million in FY 2024. The decrease in profitability was due to the same reasons as above.

After adjusting for the impact of the fire incident, FY 2025 net profit after tax would have increased by S\$1.0 million or 31.1% year-on-year.

(h) Total comprehensive income

These translation gains or losses arise from translation of foreign currency denominated assets and liabilities of subsidiaries and associated companies. Translation gains of S\$1.2 million and S\$0.2 million in H2 2025 and FY 2025 respectively were largely due to the appreciation of Malaysian Ringgit and Thai Baht against Singapore Dollar.

H2 2025 vs H1 2025

H2 2025 vs H2 2024

Translation losses of S\$1.0 million were recorded in H1 2025. As a result, comprehensive income for H2 2025 of S\$3.4 million was S\$2.7 million higher than H1 2025 (S\$0.7 million).

On the other hand, translation gains of S\$1.7 million were recorded in H2 2024. Therefore, comprehensive income for H2 2025 was S\$4.2 million or 55.2% lower than H2 2024 (S\$7.7 million).

FY 2025 vs FY 2024

Year-on-year, translation gains in FY 2025 (S\$0.2 million) were S\$1.3 million or 87.6% lower than FY 2024 (S\$1.5 million). Comprehensive income for FY 2025 was at S\$4.1 million, S\$5.3 million or 56.5% lower as compared to FY 2024.

REVIEW OF PERFORMANCE (cont'd)

Financial Position Review

Financial Position Highlights	As at		Variance 31 December 2025 vs 31 December 2024 Fav/(Unfav)
	31 December 2025	31 December 2024	
Cash (S\$'mil)	14.0	16.0	(2.0)
Borrowings (S\$'mil)	34.7	25.2	(9.5)
Current ratio (times)	1.6	1.8	(0.20)
Gearing ratio (times)	0.57	0.43	(0.14)
Net gearing ratio (times)	0.34	0.16	(0.18)
Net assets per share attributable to equity holders of the Company (cents)	46.00	43.92	2.08
Inventory turnover (days)	147	147	-
Trade receivables turnover (days)	69	66	(3)
Trade payable turnover (days)	26	27	(1)

(i) Property, plant and equipment

The carrying value of property, plant and equipment increased by S\$13.6 million from S\$16.8 million as at 31 December 2024 to S\$30.4 million as at 31 December 2025. This was due to additional capital expenditure of S\$14.2 million (mainly for construction in progress and plant and machinery) and translation gains of S\$0.3 million.

The increase was offset by depreciation charge of S\$1.0 million in the current year.

(j) Right-of-use assets

The carrying value of right-of-use assets remained relatively unchanged at S\$2.3 million. New assets leased of S\$0.3 million were offset by depreciation charge of S\$0.3 million in the current year.

(k) Investment in associates

Carrying value of our associates increased by S\$0.8 million from S\$9.4 million as at 31 December 2024 to S\$10.2 million as at 31 December 2025. Positive contribution from operation in the current year of S\$1.2 million and translation gains of S\$0.2 million was offset by dividend return of S\$0.5 million.

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

Financial assets at fair value through other comprehensive income as at 31 December 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.

REVIEW OF PERFORMANCE (cont'd)

Financial Position Review (cont'd)

(m) Trade and other receivables

Net trade receivables increased by S\$0.7 million from S\$22.9 million as at 31 December 2024 to S\$23.6 million as at 31 December 2025. The increase in trade receivables was mainly due to higher turnover days. Turnover days increased from 66 days in FY 2024 to 69 days in FY 2025. Other receivables increased by S\$0.2 million as compared to 31 December 2024.

(n) Inventories

Inventories decreased by S\$2.7 million or 8.5% from S\$31.7 million as at 31 December 2024 to S\$29.0 million as at 31 December 2025. The decrease in inventory was mainly due to prudent inventory management. Inventory turnover days remained relatively unchanged at 147 days for FY 2025.

(o) Other current assets

Other current assets decreased by S\$0.1 million or 5.7% to S\$2.5 million as at 31 December 2025 primarily due to lower prepayment of expenses (S\$0.3 million) offset by higher advance payments to suppliers (S\$0.2 million).

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

Financial assets at fair value through profit or loss were minimal as at 31 December 2025.

Financial liabilities at fair value through profit or loss increased by S\$13,000 to S\$22,000 as at 31 December 2025.

(q) Trade and other payables

Total trade payables decreased by S\$0.3 million or 5.2% from S\$6.3 million as at 31 December 2024 to S\$6.0 million as at 31 December 2025. Turnover days decreased marginally to 26 days in FY 2025 as compared to 27 days in FY 2024.

Other payables in aggregate consisting of accrued operating expenses, advance payments from customer and sundry payables decreased by S\$1.0 million from S\$8.6 million as at 31 December 2024 to S\$7.6 million as at 31 December 2025. The decrease was mainly due to lower accrued operating expenses of S\$1.8 million offset by higher sundry creditors of S\$0.9 million.

(r) Financial liabilities - lease liabilities

The carrying value of lease liabilities decreased marginally from S\$3.1 million as at 31 December 2024 to S\$3.0 million as at 31 December 2025. Additional lease liabilities recognised of S\$0.3 million and accretion of interest of S\$0.2 million were offset by repayment of lease liabilities of S\$0.6 million in FY 2025.

(s) Borrowings

Total borrowings increased by S\$9.5 million or 37.5% from S\$25.2 million as at 31 December 2024 to S\$34.7 million as at 31 December 2025. This increase was mainly due to proceeds from long term and short term bank loans, which were used to finance the reconstruction of the warehouse, offset by repayment of bills payables.

In line with higher total borrowings, our gearing ratio and net gearing ratio increased from 0.43 times and 0.16 times as at 31 December 2024 to 0.57 times and 0.34 times as at 31 December 2025 respectively.



REVIEW OF PERFORMANCE (cont'd)

Financial Position Review (cont'd)

(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 46.00 cents as at 31 December 2025 primarily due to comprehensive income recorded for equity holders of S\$4.1 million offset by dividend payment of S\$1.3 million in FY 2025.

Cashflow Review

Positive cash flow from operating activities of S\$5.7 million was generated in FY 2025 due to profitable operation and a reduction in inventories. Other major cash inflows under investing activities consist of dividend received from associate of S\$0.5 million. Positive cashflow enable us to repay trade borrowings and bank interests of S\$1.3 million each and to pay dividends of S\$1.5 million.

The progress payment of about S\$13.5 million for the reconstruction of the warehouse came from S\$7.0 million long term bank loans, short term bank loans and internal funds.

As such, overall cash and cash equivalents decreased by S\$1.3 million from S\$15.3 million as at 31 December 2024 to S\$14.0 million as at 31 December 2025.



RISK

We believe the imminent risks to our financial performance for the financial year ending 31 December 2026 ("FY 2026") are as follows:

Economic risk

Increased trade tensions, heightened geopolitical risks, sluggish China economic recovery as well as concerns over financial markets' valuation may cast a gloom over the global economy. As the chemical industry is inextricably intertwined with global economy, the impact may be felt in our business and performance.

Supply chain risk

If geopolitical risk intensifies, it may cause disruption to supply chain and hamper growth in our business. Trade policy shifts and tariffs may continue to complicate supply chain and inventory planning leading to uneven customers' demand.

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.

Energy prices

Chemical prices, especially that of bulk chemicals, are closely linked to oil price. Specialty chemicals, though less susceptible to oil price fluctuations in comparison to bulk commodity chemicals, are not immune to oil price volatility which will have an impact of our purchase cost and revenue.

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.

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, there are concerns that trade tariffs may raise inflation which will lead to a pause in interest rates cuts. Hence, our borrowing cost may remain high.

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 if financial conditions worsen. 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.

Global economy

2025 was marked by rise in trade barriers, shifts in global trade and geopolitical risks. While economic uncertainties rose amid tariff-driven headwinds, global economy turned out to be relatively resilient.

Going into 2026, many have predicted that the positive momentum can be sustained, backed by lower interest rate environment and on-going monetary and fiscal stimulus.

However continued growth may be derailed if:

- lower interest rates result in higher inflation again;
- the effect of trade barriers persists;
- fragile job market leads to recession fear;
- over-valuation of AI companies leads to an AI bubble bursts;
- geopolitical risk escalates further.

Chemical industry

2026 will be another challenging year for the chemical industry if the current oversupply and trade complexities do not ease. If conditions do not improve, prices may remain soft and growth in the industry may moderate.

Megachem

As for Megachem, our current strategy of building a resilient business model with a customer and Asia-centric focus will remain relevant as we seek to accelerate our long-term growth. We will respond to any adverse external factors with operational and financial discipline even as we work towards deepening our coverage across various market segments.

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.

After the fire, we decided to rebuild the warehouse with an expanded warehousing capacity, capable of storing about 60-80% of our current warehousing requirement and with higher level of safety standards.

The reconstruction is nearing completion and we are seeking regulatory clearance for the issuance of the Temporary Occupational Permit. Barring unforeseen circumstances, we hope our new warehouse can be fully operational by end of March 2026.

The cost of construction is estimated to be in the region of S\$18 million.

This new warehouse supports our strategy of positioning ourselves as a one-stop solutions provider. It is purpose-built to handle multiple classes of chemicals, allowing us to serve the diverse needs of our customers more effectively. With its increased capacity, the facility will reduce our reliance on third-party storage and lower overall warehousing costs. It also underscores our strong commitment to safety, environmental responsibility, and regulatory compliance. Over the long term, it is expected to strengthen our operational efficiency and enhance our competitiveness.



DIVIDEND

(a) Current financial year reported on

Any final dividend declared for the financial year ended? Yes

The directors are pleased to recommend a final tax-exempt dividend of 0.5 cents per share in respect of the financial year ended 31 December 2025 for approval by the shareholders at the next Annual General Meeting to be convened.

Name of dividend for FY 2025	Interim (paid)	Final (proposed)	Total
Dividend type (ordinary dividends)	Cash	Cash	Cash
Dividend amount per share (in cents)	0.5	0.5	1.0
Dividend paid/proposed (S\$)	666,500	666,500	1,333,000
Tax rate	Exempt	Exempt	Exempt

(b) Corresponding period of the immediately preceding financial year

Any dividend declared for the immediately preceding financial year ended 31 December 2024? Yes

Name of dividend for FY 2024	Interim	Final	Total
Dividend type (ordinary dividends)	Cash	Cash	Cash
Dividend amount per share (in cents)	0.5	0.5	1.0
Dividend paid (S\$)	666,500	666,500	1,333,000
Tax rate	Exempt	Exempt	Exempt

(c) Date payable

The final tax-exempt dividend of 0.5 cents per share in respect of the financial year ended 31 December 2025, subject to approval by the shareholders at the next Annual General Meeting to be convened, will be paid on 26 June 2026.

(d) Record date

The Share Transfer Books and Register of Members of the Company will be closed on 10 June 2026 for the purpose of determining member's entitlements to the proposed final 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 June 2026 (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 final tax-exempt dividend of 0.5 cents per share will be made on 26 June 2026.



Breakdown of sales

	Full year ended 31 December 2025 S\$'000	Full year ended 31 December 2024 S\$'000	Variance Increase/(decrease) S\$'000 %	
<u>Sales</u>				
(a) Sales for the first half ("H1")	64,073	65,175	(1,102)	(1.7%)
(b) Sales for the second half ("H2")	60,339	63,666	(3,327)	(5.2%)
<i>(Decrease) H2 from H1</i>	▼ (3,734)	(1,509)		
<i>(Decrease) H2 from H1 (%)</i>	▼ (5.8%)	(2.3%)		
<u>Operating profit after tax</u>				
(c) Operating profit after tax and before attributing to non-controlling interests for H1	1,718	1,983	(265)	▼ (13.4%)
(d) Operating profit after tax and before attributing to non-controlling interests for H2	2,189	5,930	▼ (3,741)	▼ (63.1%)
<i>Increase H2 from H1</i>	471	3,947		
<i>Increase H2 from H1 (%)</i>	27.4%	> 100.0%		

Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10).

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Liau Bin Bin	58	Spouse of Mr Chew Choon Tee, the Managing Director and substantial shareholder of the Company	Managing Director of CN Chemicals Sdn Bhd, a wholly-owned subsidiary of Megachem Limited, since 1 January 2009.	Nil
Clarissa Chew Lee Lean	31	Daughter of Mr Chew Choon Tee, the Managing Director and substantial shareholder of the Company	Group Procurement Manager since 1 August 2024.	Nil

The following directors and substantial shareholders have confirmed that as at 31 December 2025, they do not have any relatives who are holding a managerial position in the Company or any of its principal subsidiaries: -

Daniel Loh Hong Chye	Director
Sim Guan Seng	Director
Yeo Wee Kiong	Director
Yasutaka Kawamura	Director

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 Catalist (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 Catalist Rules.



Disclosures on Acquisitions and Realisation of Shares pursuant to Rule 706(A) of the Catalist Rules

There were no acquisition or realisation of shares in any of the Group's subsidiary or associate nor incorporation of any new subsidiary or associate by the Company or any of the Group's entities during the full financial year ended 31 December 2025.

On behalf of the Board of Directors

Chew Choon Tee
Managing Director

25 February 2026