



# MEGACHEM LIMITED

## Condensed Interim Financial Statements

For The Second Half Year and Full  
Year Ended  
31 December 2024

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**CONDENSED INTERIM FINANCIAL STATEMENTS  
AS AT AND FOR THE SECOND HALF YEAR AND FULL YEAR ENDED 31 DECEMBER 2024**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME/(LOSS) FOR THE SECOND  
HALF YEAR ENDED 31 DECEMBER 2024**

	Note	Unaudited	Unaudited	Variance	
		For the second half year ended	For the second half year ended	Favourable/(Unfavourable)	
		31 December 2024	31 December 2023	S\$	%
<b>Revenue</b>	3	63,666,114	62,324,259	1,341,855	2.2%
Cost of sales		<u>(47,940,779)</u>	<u>(53,192,568)</u>	5,251,789	9.9%
<b>Gross profit</b>		15,725,335	9,131,691	6,593,644	72.2%
Other income	4	5,279,136	3,347,546	1,931,590	57.7%
Distribution costs		(9,321,474)	(13,254,015)	3,932,541	29.7%
Administrative expenses		(3,244,494)	(3,311,470)	66,976	2.0%
Other operating expenses		(2,250,725)	(2,025,396)	(225,329)	(11.1%)
Finance costs	5	(910,654)	(1,040,671)	130,017	12.5%
Share of profit of associated companies		494,529	554,768	(60,239)	(10.9%)
<b>Profit/(loss) before income tax</b>	6	<u>5,771,653</u>	<u>(6,597,547)</u>	12,369,200	NM
Income tax income/(expense)	7	<u>158,462</u>	<u>(134,783)</u>	293,245	> 100.0%
<b>Net profit/(loss)</b>		<u>5,930,115</u>	<u>(6,732,330)</u>	12,662,445	NM
<b>Other comprehensive income:</b>					
Exchange differences on translating foreign operations, net of tax		<u>1,720,625</u>	<u>(476,550)</u>	2,197,175	NM
<b>Total comprehensive income/(loss)</b>		<u>7,650,740</u>	<u>(7,208,880)</u>	14,859,620	NM
Net profit/(loss) attributable to:					
Equity holders of the Company		5,905,710	(6,726,356)	12,632,066	NM
Non-controlling interests		<u>24,405</u>	<u>(5,974)</u>	30,379	NM
<b>Net profit/(loss)</b>		<u>5,930,115</u>	<u>(6,732,330)</u>	12,662,445	NM
Total comprehensive income/(loss) attributable to:					
Equity holders of the Company		7,634,052	(7,141,684)	14,775,736	NM
Non-controlling interests		<u>16,688</u>	<u>(67,196)</u>	83,884	NM
<b>Total comprehensive income/(loss)</b>		<u>7,650,740</u>	<u>(7,208,880)</u>	14,859,620	NM
Earnings/(loss) per share of profit/(loss) attributable to equity holders of the Company					
- basic and diluted	9	<u>4.43 cents</u>	<u>(5.04 cents)</u>	9.47 cents	NM

NM : not meaningful



## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME/(LOSS) FOR THE FULL YEAR ENDED 31 DECEMBER 2024

	Note	Unaudited	Audited	Variance	
		For the full year ended 31 December 2024 S\$	For the full year ended 31 December 2023 S\$	S\$	%
<b>Revenue</b>	3	128,841,566	123,009,277	5,832,289	4.7%
Cost of sales		<u>(97,613,409)</u>	<u>(100,506,638)</u>	2,893,229	2.9%
<b>Gross profit</b>		31,228,157	22,502,639	8,725,518	38.8%
Other income	4	10,666,947	3,678,155	6,988,792	> 100.0%
Distribution costs		(22,201,359)	(21,158,317)	(1,043,042)	(4.9%)
Administrative expenses		(6,400,920)	(6,238,656)	(162,264)	(2.6%)
Other operating expenses		(3,912,346)	(3,257,428)	(654,918)	(20.1%)
Finance costs	5	(1,909,787)	(2,036,940)	127,153	6.2%
Share of profit of associated companies		1,222,096	1,171,091	51,005	4.4%
<b>Profit/(loss) before income tax</b>	6	<u>8,692,788</u>	<u>(5,339,456)</u>	14,032,244	NM
Income tax expense	7	<u>(779,337)</u>	<u>(455,685)</u>	(323,652)	(71.0%)
<b>Net profit/(loss)</b>		<u>7,913,451</u>	<u>(5,795,141)</u>	13,708,592	NM
<b>Other comprehensive income:</b>					
Exchange differences on translating foreign operations, net of tax		<u>1,506,709</u>	<u>(1,156,142)</u>	2,662,851	NM
<b>Total comprehensive income/(loss)</b>		<u>9,420,160</u>	<u>(6,951,283)</u>	16,371,443	NM
Net profit/(loss) attributable to:					
Equity holders of the Company		7,905,459	(5,907,704)	13,813,163	NM
Non-controlling interests		<u>7,992</u>	<u>112,563</u>	(104,571)	(92.9%)
<b>Net profit/(loss)</b>		<u>7,913,451</u>	<u>(5,795,141)</u>	13,708,592	NM
Total comprehensive income/(loss) attributable to:					
Equity holders of the Company		9,361,091	(7,032,154)	16,393,245	NM
Non-controlling interests		<u>59,069</u>	<u>80,871</u>	(21,802)	(13.5%)
<b>Total comprehensive income/(loss)</b>		<u>9,420,160</u>	<u>(6,951,283)</u>	16,371,443	NM
Earnings/(loss) per share of profit/(loss) attributable to equity holders of the Company					
- basic and diluted	9	<u>5.93 cents</u>	<u>(4.43 cents)</u>	10.36 cents	NM

NM : not meaningful



## STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

	Note	Group		Company	
		Unaudited 31 December 2024 S\$	Audited 31 December 2023 S\$	Unaudited 31 December 2024 S\$	Audited 31 December 2023 S\$
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	11	16,815,300	14,631,444	3,525,741	1,157,002
Right-of-use assets	12	2,341,082	2,348,784	974,087	1,007,676
Investment property	13	55,891	55,569	-	-
Investments in subsidiaries		-	-	7,936,563	5,723,472
Investments in associated companies		9,352,224	8,385,733	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		25,245	24,093	4,001	4,001
Other receivables		-	-	-	229,084
Deferred tax assets		925,283	804,755	369,000	350,000
		<u>30,866,125</u>	<u>27,601,478</u>	<u>16,959,248</u>	<u>12,621,091</u>
<b>Current assets</b>					
Inventories	14	31,742,578	33,561,171	15,514,618	15,473,216
Trade and other receivables	15	23,279,044	23,701,518	15,479,990	19,320,822
Financial assets at fair value through profit or loss	16	44,923	-	-	-
Other current assets		2,624,877	1,749,398	583,672	363,316
Cash and bank balances		15,968,531	13,629,981	2,013,090	3,357,298
		<u>73,659,953</u>	<u>72,642,068</u>	<u>33,591,370</u>	<u>38,514,652</u>
<b>Total assets</b>		<u>104,526,078</u>	<u>100,243,546</u>	<u>50,550,618</u>	<u>51,135,743</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		(6,262,011)	(7,717,643)	-	-
Retained earnings		48,918,376	41,787,913	5,335,778	298,539
		58,548,393	49,962,298	21,227,806	16,190,567
Non-controlling interests		1,945,289	3,196,889	-	-
<b>Total equity</b>		<u>60,493,682</u>	<u>53,159,187</u>	<u>21,227,806</u>	<u>16,190,567</u>
<b>Non-current liabilities</b>					
Borrowings	19	-	416,667	-	416,667
Financial liabilities - lease liabilities		2,745,445	2,647,092	1,473,851	1,391,705
Deferred tax liabilities		455,000	418,851	406,000	350,000
		<u>3,200,445</u>	<u>3,482,610</u>	<u>1,879,851</u>	<u>2,158,372</u>
<b>Current liabilities</b>					
Current income tax liabilities		272,060	62,058	14,000	-
Trade and other payables	20	14,948,138	15,165,802	7,933,984	9,539,815
Borrowings	19	25,240,718	28,071,924	19,350,617	23,153,347
Financial liabilities - lease liabilities		362,351	251,101	143,793	93,642
Financial liabilities at fair value through profit or loss	21	8,684	50,864	567	-
		<u>40,831,951</u>	<u>43,601,749</u>	<u>27,442,961</u>	<u>32,786,804</u>
<b>Total liabilities</b>		<u>44,032,396</u>	<u>47,084,359</u>	<u>29,322,812</u>	<u>34,945,176</u>
<b>Total equity and liabilities</b>		<u>104,526,078</u>	<u>100,243,546</u>	<u>50,550,618</u>	<u>51,135,743</u>



## STATEMENT OF CHANGES IN EQUITY FOR THE FULL YEAR ENDED 31 DECEMBER 2024

<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 :							
<b>Opening balance at 1 January 2024</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 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)
<b>Closing balance at 31 December 2024</b>		<b>60,493,682</b>	<b>58,548,393</b>	<b>15,892,028</b>	<b>(6,262,011)</b>	<b>48,918,376</b>	<b>1,945,289</b>
Current year :							
<b>Opening balance at 1 January 2023</b>		61,740,407	58,594,052	15,892,028	(6,593,193)	49,295,217	3,146,355
Total comprehensive (loss)/income for the reporting year		(6,951,283)	(7,032,154)	-	(1,124,450)	(5,907,704)	80,871
Final dividend relating to 2022 paid	8	(1,599,600)	(1,599,600)	-	-	(1,599,600)	-
Final dividend relating to 2022 paid to non-controlling interests		(30,337)	-	-	-	-	(30,337)
<b>Closing balance at 31 December 2023</b>		<b>53,159,187</b>	<b>49,962,298</b>	<b>15,892,028</b>	<b>(7,717,643)</b>	<b>41,787,913</b>	<b>3,196,889</b>



**STATEMENT OF CHANGES IN EQUITY FOR THE FULL YEAR ENDED 31 DECEMBER 2024**

<u>The Company</u>	Note	Total equity S\$	Share capital S\$	Retained earnings S\$
Current year :				
<b>Opening balance at 1 January 2024</b>		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)
<b>Closing balance at 31 December 2024</b>		<u>21,227,806</u>	<u>15,892,028</u>	<u>5,335,778</u>
Previous year :				
<b>Opening balance at 1 January 2023</b>		23,699,672	15,892,028	7,807,644
Total comprehensive loss for the reporting year		(5,909,505)	-	(5,909,505)
Final dividend relating to 2022 paid	8	(1,599,600)	-	(1,599,600)
<b>Closing balance at 31 December 2023</b>		<u>16,190,567</u>	<u>15,892,028</u>	<u>298,539</u>



**CONSOLIDATED STATEMENT OF CASHFLOWS FOR THE FULL YEAR ENDED 31 DECEMBER 2024**

	Unaudited for the full year ended 31 December 2024 S\$	Audited for the full year ended 31 December 2023 S\$
<b>Cash flows from operating activities</b>		
Net profit/(loss) before tax	8,692,788	(5,339,456)
Adjustments for:		
Depreciation of property, plant and equipment and investment property	966,237	1,013,861
Depreciation of right-of-use assets	326,467	430,926
Finance costs	1,909,787	2,036,940
Gain on disposal of property, plant and equipment	(624,178)	(10,166)
Interest income from banks	(123,374)	(85,283)
Inventory written down	1,689,628	8,557,525
Loss on property, plant and equipment written down	–	811,080
Share of profit of associated companies	(1,222,096)	(1,171,091)
Changes in fair value of financial assets at fair value through profit and loss	(44,957)	–
Changes in fair value of financial liabilities at fair value through profit and loss	8,690	50,864
Operating cash flows before working capital changes	<u>11,578,992</u>	<u>6,295,200</u>
Change in operating assets and liabilities:		
Trade and other receivables	703,303	3,537,942
Other current assets	(891,452)	51,738
Inventories	380,193	6,862,712
Trade and other payables	(317,620)	76,443
Foreign exchanges differences	67,903	24,358
Cash from operations	<u>11,521,319</u>	<u>16,848,393</u>
Income tax paid	(595,899)	(1,111,070)
Interest received	123,374	85,283
<b>Net cash from operating activities</b>	<u>11,048,794</u>	<u>15,822,606</u>
<b>Cash flows used in investing activities</b>		
Dividends received from associated company	537,913	619,944
Purchase of equity shares from non-controlling interests	(1,160,289)	–
Purchase of financial assets at fair value through other comprehensive income	–	(1,351,100)
Purchase of property, plant and equipment	(2,735,332)	(1,185,390)
Proceeds from sales of property, plant and equipment	943,819	11,036
<b>Net cash used in investing activities</b>	<u>(2,413,889)</u>	<u>(1,905,510)</u>
<b>Cash flows used in financing activities</b>		
Dividends paid	(666,500)	(1,599,600)
Dividends paid by subsidiary to non-controlling interests	(258,876)	(30,337)
Repayments of long term bank loans	(500,000)	(500,000)
Proceeds from/(repayments of) bills payables	1,940,567	(6,447,488)
Repayments of short term bank loans	(4,736,990)	(528,590)
Lease liabilities paid	(522,187)	(598,522)
Interest paid	(1,768,966)	(1,941,608)
<b>Net cash used in financing activities</b>	<u>(6,512,952)</u>	<u>(11,646,145)</u>
<b>Net increase in cash and cash equivalents</b>	2,121,953	2,270,951
Cash and cash equivalents, statement of cash flow, beginning balance	13,024,005	10,949,160
Effects of exchange rate changes on cash and cash equivalents	145,426	(196,106)
<b>Cash and cash equivalents, statement of cash flow, ending balance</b>	<u>15,291,384</u>	<u>13,024,005</u>
Cash and cash equivalents comprised the followings:		
Cash and bank balances	15,968,531	13,629,981
Less : bank overdraft	(677,147)	(605,976)
	<u>15,291,384</u>	<u>13,024,005</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 2024 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 2024 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 2023.

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 2023.

### **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 2024 and the reported amounts of revenues and expenses for the second half year and full year ended 31 December 2024. 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 2024, 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>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	S\$	S\$	S\$	S\$
Sale of goods	61,719,698	60,896,714	125,211,604	119,622,779
Rendering of services	<u>1,946,416</u>	<u>1,427,545</u>	<u>3,629,962</u>	<u>3,386,498</u>
Total sales	<u>63,666,114</u>	<u>62,324,259</u>	<u>128,841,566</u>	<u>123,009,277</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		Rendering of services	
	full year ended		full year ended	
	31 December (*)		31 December (*)	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	S\$	S\$	S\$	S\$
<b>Group</b>				
<b>Primary geographical markets</b>				
Singapore	48,407,514	47,968,705	3,629,962	3,386,498
Rest of geographical areas	<u>76,804,090</u>	<u>71,654,074</u>	<u>—</u>	<u>—</u>
Total sales	<u>125,211,604</u>	<u>119,622,779</u>	<u>3,629,962</u>	<u>3,386,498</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 2024 is unaudited; full year ended 31 December 2023 is audited.

**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (cont'd)**
**4. Other income**

	Group			
	unaudited half year ended		full year ended	
	31 December		31 December (*)	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	S\$	S\$	S\$	S\$
Changes in fair value of financial assets at fair value through profit or loss — forward foreign exchange contract	44,957	—	44,957	—
Gain on disposal of property, plant and equipment	597,778	2,877	624,178	10,166
Government grant	40,193	1,472	42,640	44,508
Insurance claims	4,431,762	3,155,631	9,673,038	3,155,631
Interest income – banks	76,599	43,025	123,374	85,283
Rental income	7,511	7,298	14,692	14,879
Trade receivables recovered	80,336	137,243	144,068	367,688
<b>Total other income</b>	<u>5,279,136</u>	<u>3,347,546</u>	<u>10,666,947</u>	<u>3,678,155</u>

**5. Finance costs**

	Group			
	unaudited half year ended		full year ended	
	31 December		31 December (*)	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	S\$	S\$	S\$	S\$
Interest expense				
- Bills payable to banks	516,365	489,304	1,030,295	962,184
- Bank loans	266,729	441,427	656,349	838,812
- Bank overdraft	39,100	27,900	56,179	81,569
- Lease liabilities	71,063	73,583	138,794	142,173
- Finance leases	17,397	8,457	28,170	12,202
<b>Total finance costs</b>	<u>910,654</u>	<u>1,040,671</u>	<u>1,909,787</u>	<u>2,036,940</u>

Note :

(\*) full year ended 31 December 2024 is unaudited; full year ended 31 December 2023 is audited.

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

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

	Group			
	unaudited half year ended		full year ended	
	31 December		31 December (*)	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	S\$	S\$	S\$	S\$
Cost of inventories	45,389,410	44,945,023	92,543,378	88,766,772
Changes in fair value of financial liabilities at fair value through profit or loss – forward foreign exchange contract	8,690	50,458	8,690	50,458
Compensation claims	3,032	809,355	8,279	809,355
Demolition and decontamination costs	–	2,320,000	1,030,772	2,320,000
Depreciation of investment property	1,408	1,367	2,753	2,788
Depreciation of property, plant and equipment	505,580	460,726	963,484	1,011,073
Depreciation of right-of-use assets	150,737	229,052	326,467	430,926
Employee compensation	9,161,105	8,453,903	18,056,903	16,479,316
Impairment of trade receivables	24,465	49,911	78,860	62,525
Inventories written down	794,200	6,721,330	1,689,628	8,557,525
Loss on property, plant and equipment written down	–	811,080	–	811,080
Net foreign exchange translation losses	529,801	141,805	678,463	88,208
Rental on short term leases	140,523	125,665	262,646	210,130
Waste disposal costs	2,849	909,589	2,777,902	921,810
Warehouse storage charges	1,771,536	1,393,951	3,437,877	2,714,631

**7. Income tax (income)/expense**

	Group			
	unaudited half year ended		full year ended	
	31 December		31 December (*)	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	S\$	S\$	S\$	S\$
Current period:				
Current tax (income)/expense	(77,068)	160,915	878,740	602,736
Deferred tax (income)/expense	8,660	(49,778)	25,891	(218,037)
Sub-total	(68,408)	111,137	904,631	384,699
Prior periods:				
(Over)/under adjustments for current tax expense	(12,720)	23,619	(15,024)	57,898
(Over)/under adjustments for deferred tax expense	(77,334)	27	(110,270)	13,088
Sub-total	(90,054)	23,646	(125,294)	70,986
Total income tax (income)/expense	(158,462)	134,783	779,337	455,685

Note :

(\*) full year ended 31 December 2024 is unaudited; full year ended 31 December 2023 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 (*)	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	S\$	S\$	S\$	S\$
Final tax exempt dividend paid of NIL cents (2023: tax exempt of 1.2 cents) per share in respect of previous reporting year	–	–	–	1,599,600
Interim tax exempt dividend paid of 0.5 cents (2023: tax exempt of NIL cents) per share in respect of current reporting year	<u>666,500</u>	–	<u>666,500</u>	–
Total dividends paid	<u>666,500</u>	–	<u>666,500</u>	<u>1,599,600</u>

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

	Group			
	unaudited half year ended		full year ended	
	31 December		31 December (*)	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
a) Based on weighted average number of ordinary shares in issue	4.43	(5.04)	5.93	(4.43)
b) On a fully diluted basis	4.43	(5.04)	5.93	(4.43)
Weighted average number of ordinary shares in issue for earnings per share	<u>133,300,000</u>	<u>133,300,000</u>	<u>133,300,000</u>	<u>133,300,000</u>

### 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
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Net asset value per ordinary share based on issued share capital (cents)	43.92	37.48	15.92	12.15
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 2024 is unaudited; full year ended 31 December 2023 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 2024, the Group acquired property, plant and equipment with an aggregate cost of S\$2,361,303 (half year ended 31 December 2023: S\$621,414) and disposed and written down property, plant and equipment with an aggregate net book value of S\$315,652 (half year ended 31 December 2023: written down property, plant and equipment with an aggregate net book value of S\$811,080).

During the full year ended 31 December 2024, the Group acquired property, plant and equipment with an aggregate cost of S\$2,982,549 (full year ended 31 December 2023: S\$1,608,290). The Group disposed and written down property, plant and equipment with an aggregate net book value of S\$319,641 (full year ended 31 December 2023: S\$811,950).

Capital commitment of the Group as at 31 December 2024 amounted to S\$15,138,501 (31 December 2023: S\$1,404,282).

### 12. Right-of-use assets

During the full year ended 31 December 2024, the Group leased new right-of-use assets with an aggregate cost of S\$331,713 (full year ended 31 December 2023: S\$127,698).

### 13. Investment property

	Group	
	Unaudited 31 December <u>2024</u> S\$	Audited 31 December <u>2023</u> S\$
<u>At cost:</u>		
Balance at beginning of reporting period	120,774	127,838
Currency translation differences	6,928	(7,064)
Balance at end of reporting period	<u>127,702</u>	<u>120,774</u>
<u>Accumulated depreciation:</u>		
Balance at beginning of reporting period	65,205	66,150
Depreciation charge	2,753	2,788
Currency translation differences	3,853	(3,733)
Balance at end of reporting period	<u>71,811</u>	<u>65,205</u>
<u>Net book value:</u>		
Balance at beginning of reporting period	<u>55,569</u>	<u>61,688</u>
Balance at end of reporting period	<u>55,891</u>	<u>55,569</u>
<u>Fair value:</u>		
Fair value at end of reporting period	<u>303,490</u>	<u>293,179</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\$218 – S\$221.



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

### 14. Inventories

	Group		Company	
	Unaudited 31 December <u>2024</u> S\$	Audited 31 December <u>2023</u> S\$	Unaudited 31 December <u>2024</u> S\$	Audited 31 December <u>2023</u> S\$
Finished/trading goods	<u>31,742,578</u>	<u>33,561,171</u>	<u>15,514,618</u>	<u>15,473,216</u>

Inventories are stated after allowance. The allowance as at 31 December 2024 amounted to S\$7,227,940 (31 December 2023: S\$6,103,650) and S\$2,304,000 (31 December 2023: S\$2,405,000) for the Group and the Company respectively.

### 15. Trade and other receivables

	Group		Company	
	Unaudited 31 December <u>2024</u> S\$	Audited 31 December <u>2023</u> S\$	Unaudited 31 December <u>2024</u> S\$	Audited 31 December <u>2023</u> S\$
<i>Current :</i>				
<u>Trade receivables:</u>				
Non-related parties	23,287,120	23,357,899	6,776,872	8,242,572
Subsidiaries	–	–	8,004,848	7,548,451
Associated company	12,480	35,672	12,480	29,483
Less: allowance for impairment – non-related parties	(432,295)	(415,663)	(49,094)	(50,356)
Less: allowance for impairment – subsidiaries	–	–	(2,105,000)	(1,582,000)
Net trade receivables – subtotal	<u>22,867,305</u>	<u>22,977,908</u>	<u>12,640,106</u>	<u>14,188,150</u>
<u>Other receivables:</u>				
Short term loans to subsidiaries	–	–	1,725,871	3,322,456
Long term loans to subsidiaries	–	–	–	391,002
Subsidiaries	–	–	2,400,285	2,386,251
Associated company	–	–	–	–
Non-related parties	411,739	723,610	1,358	3,907
Advance payments to subsidiary	–	–	147,370	370,056
Less: allowance for impairment - subsidiaries	–	–	(1,435,000)	(1,341,000)
Net other receivables – subtotal	<u>411,739</u>	<u>723,610</u>	<u>2,839,884</u>	<u>5,132,672</u>
Total net trade and other receivables - current	<u>23,279,044</u>	<u>23,701,518</u>	<u>15,479,990</u>	<u>19,320,822</u>
<i>Non-current:</i>				
<u>Other receivables:</u>				
Long term loans to subsidiaries	–	–	–	846,084
Less: allowance for impairment	–	–	–	(617,000)
Total other receivables – non-current	–	–	–	229,084
Total trade and other receivables	<u>23,279,044</u>	<u>23,701,518</u>	<u>15,479,990</u>	<u>19,549,906</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 31 December <u>2024</u> S\$	Audited 31 December <u>2023</u> S\$	Unaudited 31 December <u>2024</u> S\$	Audited 31 December <u>2023</u> S\$
At fair value:				
Foreign exchange forward contracts (Level 2)	44,923	–	–	–
Total financial assets at FVTPL	<u>44,923</u>	<u>–</u>	<u>–</u>	<u>–</u>

**17. Financial assets at fair value through other comprehensive income (“FVTOCI”)**

	Group		Company	
	Unaudited 31 December <u>2024</u> S\$	Audited 31 December <u>2023</u> S\$	Unaudited 31 December <u>2024</u> S\$	Audited 31 December <u>2023</u> 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 2023, 30 June 2024 and 31 December 2024	<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 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 31 December 2024 and 31 December 2023.

There were no outstanding convertibles and subsidiary holdings as at the end of the reporting periods ended 31 December 2024 and 31 December 2023.

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 31 December <u>2024</u> S\$	Audited 31 December <u>2023</u> S\$	Unaudited 31 December <u>2024</u> S\$	Audited 31 December <u>2023</u> S\$
<i>Current :</i>				
Bank overdraft (unsecured)	677,147	605,976	–	–
Bill payables (unsecured)	13,918,794	12,393,383	10,814,190	9,896,597
Short term bank loans (unsecured)	8,919,760	13,656,750	8,119,760	12,756,750
Long term bank loans (unsecured)	416,667	500,000	416,667	500,000
Unsecured sub-total	<u>23,932,368</u>	<u>27,156,109</u>	<u>19,350,617</u>	<u>23,153,347</u>
Bill payables (secured)	1,308,350	915,815	–	–
Short term bank loans (secured)	–	–	–	–
Secured sub-total	<u>1,308,350</u>	<u>915,815</u>	<u>–</u>	<u>–</u>
Current, total	<u>25,240,718</u>	<u>28,071,924</u>	<u>19,350,617</u>	<u>23,153,347</u>
<i>Non-current:</i>				
Long term bank loans (unsecured)	–	416,667	–	416,667
Non-current, total	<u>–</u>	<u>416,667</u>	<u>–</u>	<u>416,667</u>
Total borrowings	<u>25,240,718</u>	<u>28,488,591</u>	<u>19,350,617</u>	<u>23,570,014</u>

The secured bill payables and short term bank loans as at 31 December 2024 and 31 December 2023 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 2024.

### 20. Trade and other payables

	Group		Company	
	Unaudited 31 December <u>2024</u> S\$	Audited 31 December <u>2023</u> S\$	Unaudited 31 December <u>2024</u> S\$	Audited 31 December <u>2023</u> S\$
<u>Trade payables:</u>				
Non-related parties	6,307,974	7,070,787	2,603,229	2,764,395
Associated company	7,285	3,353	–	3,353
Related parties	–	–	–	–
Subsidiaries	–	–	263,001	715,087
Trade payables – subtotal	<u>6,315,259</u>	<u>7,074,140</u>	<u>2,866,230</u>	<u>3,482,835</u>



## 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>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	S\$	S\$	S\$	S\$
<u>Other payables:</u>				
Associated company	15,551	7,908	12,672	5,119
Subsidiaries	–	–	202,848	390,584
Loan from subsidiary	–	–	385,082	1,419,108
Advance payments from customers	213,690	73,535	8,758	17,676
Advance payments from subsidiary	–	–	141,486	487,085
Accrued liabilities	6,468,504	6,165,744	3,469,215	2,803,572
Other payables	<u>1,935,134</u>	<u>1,844,475</u>	<u>847,693</u>	<u>933,836</u>
Other payables – subtotal	<u>8,632,879</u>	<u>8,091,662</u>	<u>5,067,754</u>	<u>6,056,980</u>
Total trade and other payables	<u>14,948,138</u>	<u>15,165,802</u>	<u>7,933,984</u>	<u>9,539,815</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>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	S\$	S\$	S\$	S\$
<u>At fair value:</u>				
Foreign exchange forward contracts (Level 2)	8,684	50,864	567	–
Total financial liabilities at FVTPL	<u>8,684</u>	<u>50,864</u>	<u>567</u>	<u>–</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 2024 S\$'000	Audited 31 December 2023 S\$'000	Unaudited 31 December 2024 S\$'000	Audited 31 December 2023 S\$'000
<u>Financial assets</u>				
Financial assets at amortised cost	39,248	37,331	17,346	22,537
Financial assets at FVTOCI	1,351	1,351	1,351	1,351
Financial assets at FVTPL	45	–	–	–
At end of the reporting period	<u>40,644</u>	<u>38,682</u>	<u>18,697</u>	<u>23,888</u>
<u>Financial liabilities</u>				
Financial liabilities at amortised cost	43,083	46,479	28,752	34,090
Financial liabilities at FVTPL	9	51	1	–
At end of the reporting period	<u>43,092</u>	<u>46,530</u>	<u>28,753</u>	<u>34,090</u>

### 24. Contingent liabilities

	Company	
	Unaudited 31 December 2024 S\$'000	Audited 31 December 2023 S\$'000
Undertaking to provide continuing financial support to subsidiaries with net liabilities amounted to:		
Megachem Australia Pty Ltd	1,481	2,392
Megachem Speciality Chemicals (I) Private Limited	812	1,080
Corporate guarantee provided to banks on subsidiaries' loans payable	<u>5,890</u>	<u>4,919</u>

### 25. Related party transactions

	Group			
	unaudited half year ended 31 December		full year ended 31 December (*)	
	2024 S\$	2023 S\$	2024 S\$	2023 S\$
<u>Associated companies</u>				
Sales of inventories	75,383	143,231	219,051	243,050
Purchases of inventories	<u>(40,313)</u>	<u>(19,918)</u>	<u>(87,567)</u>	<u>(36,482)</u>
<u>Related parties</u>				
Purchases of inventories <sup>(a)</sup>	<u>(367,967)</u>	<u>(354,086)</u>	<u>(654,899)</u>	<u>(586,714)</u>

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

Note :

(\*) full year ended 31 December 2024 is unaudited; full year ended 31 December 2023 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 2024.

The Group purchased products from Chori Co., Ltd and its related corporations amounting to S\$654,899 in the full year ended 31 December 2024.

Name of interested person	Aggregate value of all interested person transactions during the full year ended 31 December 2024 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 2024 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\$587,717

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

	<u>Singapore</u> S\$'000	<u>Malaysia</u> S\$'000	<u>United Kingdom</u> S\$'000	<u>China</u> S\$'000	<u>Middle East</u> S\$'000	<u>Others</u> S\$'000	<u>Unallocated</u> S\$'000	<u>Group</u> S\$'000
<b>For the reporting year ended 31 December 2024</b>								
<b>Sales</b>								
Total sales by segment	60,996	14,231	19,004	12,932	11,100	24,779	-	143,042
Inter-segment sales	(8,959)	(278)	(1,121)	(3,234)	(75)	(533)	-	(14,200)
	<u>52,037</u>	<u>13,953</u>	<u>17,883</u>	<u>9,698</u>	<u>11,025</u>	<u>24,246</u>	<u>-</u>	<u>128,842</u>
<b>Segment result</b>								
Interest income - bank	7,159	1,923	73	420	229	(547)	-	9,257
Finance costs	-	-	-	-	-	-	123	123
Share of profit of associated companies	-	-	-	-	-	-	(1,910)	(1,910)
Profit before income tax	-	-	-	-	-	-	1,222	1,222
Income tax expense	-	-	-	-	-	-	(565)	8,692
<b>Net profit/(loss)</b>	<u>7,159</u>	<u>1,923</u>	<u>73</u>	<u>420</u>	<u>229</u>	<u>(547)</u>	<u>(1,344)</u>	<u>7,913</u>
<b>Other segment items</b>								
Capital expenditure	2,906	12	18	4	2	41	-	2,983
Depreciation	660	276	95	72	37	153	-	1,293
<b>Segment assets</b>								
Associated companies	38,754	17,955	6,541	5,465	6,995	14,858	-	90,568
Deferred tax assets	-	-	-	-	-	-	9,352	9,352
Interest earning cash balances	-	-	-	-	-	-	925	925
<b>Consolidated total assets</b>	<u>38,754</u>	<u>17,955</u>	<u>6,541</u>	<u>5,465</u>	<u>6,995</u>	<u>14,858</u>	<u>3,681</u>	<u>3,681</u>
<b>Consolidated total assets</b>	<u>38,754</u>	<u>17,955</u>	<u>6,541</u>	<u>5,465</u>	<u>6,995</u>	<u>14,858</u>	<u>13,958</u>	<u>104,526</u>
<b>Segment liabilities</b>								
Borrowings	(10,714)	(997)	(2,204)	(1,458)	(932)	(1,759)	-	(18,064)
Current income tax liabilities	-	-	-	-	-	-	(25,241)	(25,241)
Deferred tax liabilities	-	-	-	-	-	-	(272)	(272)
<b>Consolidated total liabilities</b>	<u>(10,714)</u>	<u>(997)</u>	<u>(2,204)</u>	<u>(1,458)</u>	<u>(932)</u>	<u>(1,759)</u>	<u>(455)</u>	<u>(455)</u>
<b>Consolidated total liabilities</b>	<u>(10,714)</u>	<u>(997)</u>	<u>(2,204)</u>	<u>(1,458)</u>	<u>(932)</u>	<u>(1,759)</u>	<u>(25,968)</u>	<u>(44,032)</u>

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

	Singapore S\$'000	Malaysia S\$'000	United Kingdom S\$'000	China S\$'000	Middle East S\$'000	Others S\$'000	Unallocated S\$'000	Group S\$'000
<b>For the reporting year ended 31 December 2023</b>								
<b>Sales</b>								
Total sales by segment	60,211	13,320	20,677	10,987	10,665	23,122	-	138,982
Inter-segment sales	(8,856)	(268)	(2,884)	(3,616)	(49)	(300)	-	(15,973)
	<u>51,355</u>	<u>13,052</u>	<u>17,793</u>	<u>7,371</u>	<u>10,616</u>	<u>22,822</u>	<u>-</u>	<u>123,009</u>
<b>Segment result</b>								
Interest income - bank	(5,603)	839	253	336	(98)	(286)	-	(4,559)
Finance costs	-	-	-	-	-	-	85	85
Share of profit of associated companies	-	-	-	-	-	-	(2,037)	(2,037)
Profit before income tax	-	-	-	-	-	-	1,171	1,171
Income tax expense	-	-	-	-	-	-	(781)	(5,340)
<b>Net profit/(loss)</b>	<u>(5,603)</u>	<u>839</u>	<u>253</u>	<u>336</u>	<u>(98)</u>	<u>(286)</u>	<u>(1,236)</u>	<u>(5,795)</u>
<b>Other segment items</b>								
Capital expenditure	1,064	411	17	8	8	100	-	1,608
Depreciation	676	288	98	69	138	176	-	1,445
<b>Segment assets</b>								
Associated companies	37,790	16,771	5,568	4,160	6,726	16,828	-	87,843
Deferred tax assets	-	-	-	-	-	-	8,386	8,386
Interest earning cash balances	-	-	-	-	-	-	805	805
<b>Consolidated total assets</b>	<u>37,790</u>	<u>16,771</u>	<u>5,568</u>	<u>4,160</u>	<u>6,726</u>	<u>16,828</u>	<u>3,210</u>	<u>3,210</u>
<b>Segment liabilities</b>								
Borrowings	(10,782)	(1,305)	(1,840)	(933)	(928)	(2,327)	-	(18,115)
Current income tax liabilities	-	-	-	-	-	-	(28,488)	(28,488)
Deferred tax liabilities	-	-	-	-	-	-	(62)	(62)
<b>Consolidated total liabilities</b>	<u>(10,782)</u>	<u>(1,305)</u>	<u>(1,840)</u>	<u>(933)</u>	<u>(928)</u>	<u>(2,327)</u>	<u>(419)</u>	<u>(419)</u>
	<u>(10,782)</u>	<u>(1,305)</u>	<u>(1,840)</u>	<u>(933)</u>	<u>(928)</u>	<u>(2,327)</u>	<u>(28,969)</u>	<u>(47,084)</u>



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

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

	<u>Distribution</u> S\$'000	<u>Manufacturing</u> S\$'000	<u>Unallocated</u> S\$'000	<u>Group</u> S\$'000
<b>For the reporting period ended</b>				
<b>31 December 2024</b>				
<b>Sales</b>				
Total sales by segment	125,063	4,716	-	129,779
Inter-segment sales	(143)	(794)	-	(937)
	<u>124,920</u>	<u>3,922</u>	<u>-</u>	<u>128,842</u>
<b>Segment result</b>				
Interest income - bank	-	-	123	123
Finance costs	-	-	(1,910)	(1,910)
Share of profit of associated companies	-	-	1,222	1,222
Profit before income tax	-	-	(565)	8,692
Income tax expense	-	-	(779)	(779)
<b>Net profit</b>	<u>8,338</u>	<u>919</u>	<u>(1,344)</u>	<u>7,913</u>
<b>Other segment items</b>				
Capital expenditure	2,739	244	-	2,983
Depreciation	994	299	-	1,293

	<u>Distribution</u> S\$'000	<u>Manufacturing</u> S\$'000	<u>Unallocated</u> S\$'000	<u>Group</u> S\$'000
<b>Segment assets</b>				
Associated companies	-	-	9,352	9,352
Deferred tax assets	-	-	925	925
Interest earning cash balances	-	-	3,681	3,681
<b>Consolidated total assets</b>	<u>83,726</u>	<u>6,842</u>	<u>13,958</u>	<u>104,526</u>
<b>Segment liabilities</b>				
Borrowings	(16,137)	(1,927)	-	(18,064)
Current income tax liabilities	-	-	(25,241)	(25,241)
Deferred income tax liabilities	-	-	(272)	(272)
Deferred income tax liabilities	-	-	(455)	(455)
<b>Consolidated total liabilities</b>	<u>(16,137)</u>	<u>(1,927)</u>	<u>(25,968)</u>	<u>(44,032)</u>





## OTHER INFORMATION

### AUDIT

The statements of financial position as at 31 December 2024 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 estimated financial impact of the fire incident on our consolidated statement of comprehensive income for the half year and full year ended 31 December 2024 are estimated as follows:

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

Some of the key financial highlights of the Group are as follows:

Profitability Highlights	H2 2024	H1 2024	H2 2024 vs H1 2024		H2 2023	H2 2024 vs H2 2023	
			Variance	Fav/(Unfav)		Variance	Fav/(Unfav)
Sales (S\$'mil)	63.7	65.2	(1.5)	(2.3%)	62.3	1.4	2.2%
Gross profit (S\$'mil)	15.7	15.5	0.2	1.4%	9.1	6.6	72.2%
<i>Adjusted gross profit (S\$'mil)</i>	<i>15.9</i>	<i>15.6</i>	<i>0.3</i>	<i>1.7%</i>	<i>15.1</i>	<i>0.8</i>	<i>5.3%</i>
Gross profit margin	24.7%	23.8%	0.9%	na	14.7%	10.0%	na
<i>Adjusted gross profit margin</i>	<i>25.0%</i>	<i>24.0%</i>	<i>1.0%</i>	<i>na</i>	<i>24.2%</i>	<i>0.8%</i>	<i>na</i>
Total operating expenses and finance costs (S\$'mil)	15.7	18.7	3.0	15.9%	19.6	3.9	19.9%
<i>Adjusted total operating expenses and finance costs (S\$'mil)</i>	<i>15.7</i>	<i>14.6</i>	<i>(1.1)</i>	<i>(7.2%)</i>	<i>14.6</i>	<i>(1.1)</i>	<i>(7.5%)</i>
Other income (S\$'000)	5,279	5,395	(116)	(2.1%)	3,348	1,931	57.7%
<i>Adjusted other income (S\$'000)</i>	<i>871</i>	<i>485</i>	<i>386</i>	<i>79.8%</i>	<i>199</i>	<i>672</i>	<i>&gt; 100.0%</i>
Share of profit of associated companies (S\$'000)	495	728	(233)	(32.0%)	555	(60)	(10.9%)
Profit/(loss) before income tax (S\$'mil)	5.8	2.9	2.9	97.6%	(6.6)	12.4	NM
Net profit/(loss) (S\$'mil)	5.9	2.0	3.9	> 100.0%	(6.7)	12.6	NM

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

<b>Profitability Highlights</b>	H2 2024	H1 2024	H2 2024 vs H1 2024 Variance Fav/(Unfav)		H2 2023	H2 2024 vs H2 2023 Variance Fav/(Unfav)	
<i>Adjusted net profit (S\$mil)</i>	1.3	1.7	(0.4)	(21.7%)	1.0	0.3	29.3%
Net profit/(loss) margin	9.3%	3.0%	6.3%	na	(10.8%)	20.1%	na
EBITDA (S\$mil)	7.3	4.5	2.8	61.1%	(4.9)	12.2	NM
EBITDA margin	11.4%	6.9%	4.5%	na	(7.9%)	19.3%	na
Earnings/(loss) per share attributable to equity holders of the Company (cents)	4.43	1.50	2.93	> 100.0%	(5.04)	9.47	NM

<b>Profitability Highlights</b>	FY 2024	FY 2023	Variance FY 2024 vs FY 2023 Fav/(Unfav) %	
Sales (S\$mil)	128.8	123.0	5.8	4.7%
Gross profit (S\$mil)	31.2	22.5	8.7	38.8%
<i>Adjusted gross profit (S\$mil)</i>	<i>31.5</i>	<i>28.5</i>	<i>3.0</i>	<i>10.7%</i>
Gross profit margin	24.2%	18.3%	5.9%	na
<i>Adjusted gross profit margin</i>	<i>24.5%</i>	<i>23.1%</i>	<i>1.4%</i>	<i>na</i>
Total operating expenses and finance cost (S\$mil)	34.4	32.7	(1.7)	(5.3%)
<i>Adjusted total operating expenses and finance cost (S\$mil)</i>	<i>30.3</i>	<i>27.7</i>	<i>(2.7)</i>	<i>(9.6%)</i>
Other income (S\$'000)	10,667	3,678	6,989	> 100.0%
<i>Adjusted other income (S\$'000)</i>	<i>1,349</i>	<i>530</i>	<i>819</i>	<i>&gt; 100.0%</i>
Share of profit of associated companies (S\$'000)	1,222	1,171	51	4.4%
Profit/(loss) before income tax (S\$mil)	8.7	(5.3)	14.0	NM
Net profit/(loss) (S\$mil)	7.9	(5.8)	13.7	NM
<i>Adjusted net profit (S\$mil)</i>	<i>2.9</i>	<i>1.9</i>	<i>1.0</i>	<i>53.5%</i>
Net profit/(loss) margin	6.1%	(4.7%)	10.8%	na
EBITDA (S\$mil)	11.8	(1.9)	13.7	NM
EBITDA margin	9.1%	(1.6%)	10.7%	na
Earnings/(loss) per share attributable to the equity holders of the Company (cents)	5.93	(4.43)	10.36	NM

Note : "Adjusted" amounts refer to amounts adjusted for the impact of the fire incident.

na : not applicable

NM : not meaningful

## REVIEW OF PERFORMANCE (cont'd)

### Profitability Review

#### (a) Sales

	H2 2024	H1 2024	Variance Fav/(Unfav)		H2 2023	Variance Fav/(Unfav)	
	S\$'000	S\$'000	H2 2024 vs H1 2024	%	S\$'000	H2 2024 vs H2 2023	%
ASEAN	36,639	37,613	(974)	(2.6)	36,611	28	0.1
Europe	7,730	8,554	(824)	(9.6)	7,396	334	4.5
North Asia	7,060	5,391	1,669	31.0	5,423	1,637	30.2
Australia	4,543	5,673	(1,130)	(19.9)	5,393	(850)	(15.8)
Middle East	5,637	5,350	287	5.4	5,133	504	9.8
South Asia	1,910	2,335	(425)	(18.2)	1,987	(77)	(3.9)
America	61	105	(44)	(41.9)	117	(56)	(47.9)
Africa	86	154	(68)	(44.2)	264	(178)	(67.4)
<b>Total</b>	<b>63,666</b>	<b>65,175</b>	<b>(1,509)</b>	<b>(2.3)</b>	<b>62,324</b>	<b>1,342</b>	<b>2.2</b>

	FY 2024		FY 2023		Variance Fav/(Unfav)	
	S\$'000	%	S\$'000	%	S\$'000	%
ASEAN	74,252	57.7	72,226	58.7	2,026	2.8
Europe	16,284	12.6	15,704	12.7	580	3.7
North Asia	12,451	9.7	10,316	8.4	2,135	20.7
Middle East	10,987	8.5	10,559	8.6	428	4.1
Australia	10,216	7.9	9,692	7.9	524	5.4
South Asia	4,246	3.3	3,820	3.1	426	11.2
America	166	0.1	212	0.2	(46)	(21.7)
Africa	240	0.2	480	0.4	(240)	(50.0)
<b>Total</b>	<b>128,842</b>	<b>100.0</b>	<b>123,009</b>	<b>100.0</b>	<b>5,833</b>	<b>4.7</b>

#### Geographic Segment Sales Analysis

##### H2 2024 vs H1 2024

Demand for chemicals contracted in the second half of 2024 ("H2 2024"). Except for North Asia and Middle East markets, most of our markets recorded lower sales in H2 2024 over first half of 2024 ("H1 2024"). The biggest decrease came from Australia market which recorded lower sales of S\$1.1 million or 19.9% as compared to H1 2024. This was followed by ASEAN and Europe markets which recorded a dip in sales of S\$1.0 million or 2.6% and S\$0.8 million or 9.6% respectively. Other market such as South Asia recorded lower sales of S\$0.4 million or 18.2% while sales to America and Africa markets fell by less than S\$0.1 million each.

Sales to North Asia and Middle East markets increased by S\$1.7 million or 31.0% and S\$0.3 million or 5.4% respectively.

As a result, total sales decreased by S\$1.5 million or 2.3% to S\$63.7 million in H2 2024 vis-à-vis sales of S\$65.2 million in H1 2024.

##### H2 2024 vs H2 2023

As compared to second half of 2023 ("H2 2023"), total sales increased by S\$1.3 million or 2.2%. Sales to North Asia recorded an increase of S\$1.6 million or 30.2% while sales to Europe and Middle East markets grew by a smaller scale of S\$0.3 million or 4.5% and S\$0.5 million or 9.8% respectively.

On the other hand, Australia market recorded a reduction in sales of S\$0.9 million or 15.8% while sales to each of our South Asia, America and Africa markets declined by S\$0.1 million to S\$0.2 million. Sales to ASEAN market was relatively unchanged.

## REVIEW OF PERFORMANCE (cont'd)

### Profitability Review (cont'd)

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

##### FY 2024 vs FY 2023

As compared to the full year of 2023 ("FY 2023"), sales increased by S\$5.8 million or 4.7% to S\$128.8 million for the full year of 2024 ("FY 2024"). Generally, almost all markets recorded higher sales in FY 2024 except for Africa and America which together recorded a dip in sales of approximately S\$0.3 million.

Sales to North Asia and ASEAN markets increased by S\$2.1 million or 20.7% and S\$2.0 million or 2.8% respectively. Other markets such as Australia, Europe, Middle East and South Asia recorded higher sales of between S\$0.4 million to S\$0.6 million over FY 2023.

##### Business Activity Segment Sales Breakdown

			Variance Fav/(Unfav)				Variance Fav/(Unfav)	
	H2 2024	H1 2024	H2 2024 vs H1 2024		H2 2023	H2 2024 vs H2 2023		
	S\$'000	S\$'000	S\$'000	%	S\$'000	S\$'000	%	
Distribution activity	61,575	63,344	(1,769)	(2.8)	60,756	819	1.3	
Manufacturing activity	2,091	1,831	260	14.2	1,568	523	33.3	
Total Sales	63,666	65,175	(1,509)	(2.3)	62,324	1,342	2.2	

	FY 2024	FY 2023	Variance Fav/(Unfav)	
	S\$'000	S\$'000	S\$'000	%
Distribution activity	124,920	119,298	5,622	4.7
Manufacturing activity	3,922	3,711	211	5.7
Total Sales	128,842	123,009	5,833	4.7

##### H2 2024 vs H1 2024

##### H2 2024 vs H2 2023

Sales from distribution segments contracted by S\$1.8 million or 2.8% over H1 2024 but increased by S\$0.8 million or 1.3% as compared to H2 2023.

Sales from the contract manufacturing segment increased by S\$0.3 million or 14.2% and S\$0.5 million or 33.3% in H2 2024 over H1 2024 and H2 2023 respectively.

##### FY 2024 vs FY 2023

Year-on-year, sales from distribution and manufacturing segments increased by S\$5.6 million or 4.7% and S\$0.2 million or 5.7% respectively.

#### (b) Gross profit

##### H2 2024 vs H1 2024

##### H2 2024 vs H2 2023

Gross profit margin increased in H2 2024 (24.7%) as compared to H1 2024 (23.8%) and H2 2023 (14.7%). This was mainly due to inventory destroyed in the fire written off in H2 2023 and lower allowance for inventory impairment recorded in H2 2024 over H1 2024.

## REVIEW OF PERFORMANCE (cont'd)

### Profitability Review (cont'd)

#### (b) Gross profit (cont'd)

As a result, gross profit increased by S\$0.2 million or 1.4% over H1 2024 and S\$6.6 million or 72.2% as compared to H2 2023.

After adjusting for the impact of the fire incident, gross profit margin for H2 2024 would be 25.0% as compared to 24.0% in H1 2024 and 24.2% in H2 2023. Gross profit for H2 2024 would have increased by S\$0.3 million or 1.7% and S\$0.8 million or 5.3% over H1 2024 and H2 2023.

#### FY 2024 vs FY 2023

Gross profit margin for FY 2024 improved to 24.2% as compared to 18.3% in FY 2023 mainly due to the same reasons as stated above. Coupled with higher sales, gross profit increased year-on-year by S\$8.7 million or 38.8% to S\$31.2 million.

After adjusting for the impact of the fire incident, gross profit margin and gross profit would be 24.5% and S\$31.5 million respectively and the increase in gross profit over FY 2023 would have been S\$3.0 million or 10.7%.

#### (c) Other income

			Variance Fav/(Unfav)		Variance Fav/(Unfav)		
	H2 2024	H1 2024	H2 2024 vs H1 2024	H2 2023	H2 2024 vs H2 2023		
	S\$'000	S\$'000	S\$'000	%	S\$'000	S\$'000	
Change in fair value of financial assets at FVTPL							
- forward foreign exchange contracts	45	7	38	> 100.0	-	45	NM
Gain on disposal of property, plant and equipment	598	26	572	> 100.0	3	595	> 100.0
Grant income	40	3	37	> 100.0	2	38	> 100.0
Insurance claims	4,432	5,241	(809)	(15.4)	3,156	1,276	40.4
Interest income	77	47	30	63.8	43	34	78.0
Trade receivables recovered	80	64	16	26.1	137	(57)	(41.5)

	FY 2024	FY 2023	Variance Fav/(Unfav)	
	S\$'000	S\$'000	S\$'000	%
Change in fair value of financial assets at FVTPL				
- forward foreign exchange contracts	45	-	45	NM
Gain on disposal of property, plant and equipment	624	10	614	> 100.0
Grant income	43	45	(2)	(4.2)
Insurance claims	9,673	3,156	6,517	> 100.0
Interest income	123	85	38	44.7
Trade receivables recovered	144	368	(224)	(60.8)

NM : not meaningful

## REVIEW OF PERFORMANCE (cont'd)

### Profitability Review (cont'd)

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

##### H2 2024 vs H1 2024

The decrease in other income was mainly due to lower insurance compensation claims of S\$0.8 million partially offset by higher gain on disposal of property, plant and equipment of S\$0.6 million.

##### H2 2024 vs H2 2023

The increase in other income was mainly due to higher insurance compensation claims of S\$1.3 million and higher gain on disposal of property, plant and equipment of S\$0.6 million.

##### FY 2024 vs FY 2023

Similarly, the increase in other income of S\$7.0 million was mainly due to the same reasons as noted above in H2 2024 vis-à-vis H2 2023. The increase was partly offset by lower trade receivables recovered of S\$0.2 million.

#### (d) Operating expenses

			Variance Fav/(Unfav)		Variance Fav/(Unfav)		
	H2 2024	H1 2024	H2 2024 vs H1 2024	H2 2023	H2 2024 vs H2 2023		
	S\$'000	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Compensation claims	3	5	2	42.2	809	806	99.6
Demolition and decontamination costs	-	1,031	1,031	100.0	2,320	2,320	100.0
Depreciation of property, plant and equipment	468	428	(40)	(9.5)	431	(37)	(8.6)
Depreciation of right-of-use assets	151	176	25	14.2	229	78	34.2
Employee compensation	8,552	8,401	(151)	(1.8)	7,975	(577)	(7.2)
Insurance expenses	243	338	95	28.1	185	(58)	(31.2)
Loss on property, plant and equipment written down	-	-	-	-	811	811	100.0
Net foreign exchange loss	526	149	(377)	(> 100.0)	142	(384)	(> 100.0)
Professional fees	586	378	(208)	(55.0)	642	56	8.7
Transport charges	507	406	(101)	(24.8)	435	(72)	(16.4)
Travelling expenses	497	392	(105)	(26.9)	444	(53)	(11.8)
Waste disposal costs	3	2,775	2,772	99.9	910	907	99.7
Warehouse storage charges	1,772	1,666	(106)	(6.3)	1,394	(378)	(27.1)

## REVIEW OF PERFORMANCE (cont'd)

### Profitability Review (cont'd)

#### (d) Operating expenses (cont'd)

	FY 2024 S\$'000	FY 2023 S\$'000	Variance S\$'000	Fav/(Unfav) %
Compensation claims	8	809	801	99.0
Demolition and decontamination costs	1,031	2,320	1,289	55.6
Depreciation of property, plant and equipment	896	952	56	5.9
Depreciation of right-of-use assets	327	431	104	24.2
Employee remuneration	16,953	15,490	(1,463)	(9.4)
Insurance expenses	581	345	(236)	(68.2)
Loss on property, plant and equipment written down	-	811	811	100
Net foreign exchange loss	678	88	(590)	(> 100.0)
Transport charges	913	764	(149)	(19.5)
Waste disposal costs	2,778	922	(1,856)	(> 100.0)
Warehouse storage charges	3,438	2,715	(723)	(26.6)

#### H2 2024 vs H1 2024

Operating expenses for H2 2024 decreased by S\$2.9 million or 16.3% to S\$14.8 million as compared to H1 2024 (S\$17.7 million). The decrease was mainly related to the fire incident. Demolition and decontamination costs and waste disposal costs totalling S\$3.8 million were incurred in H1 2024 as a result of the fire incident.

The decrease was partly offset by higher net foreign exchange losses of S\$0.4 million, higher professional fees and employee remuneration of S\$0.2 million and higher warehouse storage charges, transport charges and travelling expenses of S\$0.1 million each.

After adjusting for the impact of the fire incident, H2 2024 operating expenses would have increased by S\$1.1 million or 8.4% vis-à-vis H1 2024.

#### H2 2024 vs H2 2023

As compared to H2 2023, operating expenses decreased by S\$3.8 million or 20.3%. Similarly, the decrease was mainly due to expenses incurred as a result of the fire incident (eg demolition and decontamination costs and waste disposal costs). Compensation claims in H2 2023 were in relation to loss or damages to customers' inventories stored at the warehouse (approximately S\$0.6 million) and customers' consequential losses (approximately S\$0.2 million). Property, plant and equipment destroyed in the fire amounted to S\$0.8 million were written down in H2 2023.

The decrease was offset by higher employee remuneration of S\$0.6 million, higher net foreign exchange losses and warehouse storage charges of S\$0.4 million each.

Adjusting for the impact of the fire incident, H2 2024 operating expenses would have increased by S\$1.2 million or 9.0% over H2 2023.

## REVIEW OF PERFORMANCE (cont'd)

### Profitability Review (cont'd)

#### (d) Operating expenses (cont'd)

##### FY 2024 vs FY 2023

Year-on-year, operating expenses for FY 2024 increased by S\$1.9 million or 6.1% to S\$32.5 million. The increase was mainly due to higher waste disposal costs of S\$1.9 million, higher employee remuneration of S\$1.5 million, higher net foreign exchange losses of S\$0.6 million, higher warehouse storage charges of S\$0.7 million and higher insurance expenses of S\$0.2 million.

This was offset by lower demolition and decontamination costs of S\$1.3 million, lower compensation claims of S\$0.8 million and the absence of loss from property, plant and equipment destroyed in the fire written down of S\$0.8 million.

#### (e) Finance costs

Finance costs comprised the following:-

			Variance Fav/(Unfav)		Variance Fav/(Unfav)		
	H2 2024	H1 2024	H2 2024 vs H1 2024	H2 2023	H2 2024 vs H2 2023		
	S\$'000	S\$'000	S\$'000	%	S\$'000	S\$'000	
Bills payables	516	514	(2)	(0.5)	489	(27)	(5.5)
Bank loans	267	390	123	31.5	442	175	39.6
Bank overdraft	39	17	(22)	(> 100.0)	28	(11)	(40.1)
Finance leases	18	11	(7)	(61.5)	9	(9)	(100.0)
Lease liabilities	71	67	(4)	(4.9)	73	2	3.4
Total finance costs	911	999	88	8.9	1,041	130	12.5

	FY 2024	FY 2023	Variance Fav/(Unfav)	
	S\$'000	S\$'000	S\$'000	%
Bills payables	1,030	962	(68)	(7.1)
Bank loans	657	839	182	21.8
Bank overdraft	56	82	26	31.1
Finance leases	28	12	(16)	(> 100.0)
Lease liabilities	139	142	3	2.4
Total finance costs	1,910	2,037	127	6.2

##### H2 2024 vs H1 2024

##### H2 2024 vs H2 2023

Finance costs for H2 2024 decreased by S\$88,000 or 8.9% and S\$130,000 or 12.5% over H1 2024 and H2 2023 respectively mainly due to lower borrowings.





## **REVIEW OF PERFORMANCE (cont'd)**

### **Profitability Review (cont'd)**

#### **(e) Finance costs (cont'd)**

##### FY 2024 vs FY 2023

For the same reasons noted above, finance costs decreased by S\$127,000 or 6.2% over FY 2023.

#### **(f) Share of profit of associated companies**

##### H2 2024 vs H1 2024

##### H2 2024 vs H2 2023

Our share of profit of associated companies for H2 2024 decreased by S\$233,000 or 32.0% as compared to H1 2024.

Vis-à-vis H2 2023, our share of profit of associated companies for H2 2024 decreased by S\$60,000 or 10.9%.

##### FY 2024 vs FY 2023

Our share of profit of associated companies for FY 2024 increased by S\$51,000 or 4.4% as compared to FY 2023.

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

##### H2 2024 vs H1 2024

##### H2 2024 vs H2 2023

H2 2024 profit before tax at S\$5.8 million was almost double of H1 2024 and compared positively against H2 2023 loss before tax of S\$6.6 million. EBITDA in H2 2024 was S\$7.3 million as compared to S\$4.5 million in H1 2024 and a loss of S\$4.9 million in H2 2023. The increase in profitability was primarily due to lower expenses/losses incurred as a result of the fire incident, higher insurance claim income and higher sales (over H2 2023).

As a result, net profit after tax was S\$5.9 million in H2 2024 as compared to net profit after tax of S\$2.0 million in H1 2024 and net loss of S\$6.7 million in H2 2023.

After adjusting for the impact of the fire incident, H2 2024 would have recorded a net profit after tax of S\$1.3 million, which represents a decrease of S\$0.4 million or 21.7% over H1 2024 and an increase of S\$0.3 million or 29.3% as compared to H2 2023.

##### FY 2024 vs FY 2023

FY 2024 recorded a net profit before tax of S\$8.7 million as compared to net loss before tax of S\$5.3 million in FY 2023. Similarly, EBITDA was S\$11.8 million in FY 2024 as compared to a loss of S\$1.9 million in FY 2023. With higher income tax expense of S\$0.3 million, net profit after tax for FY 2024 was S\$7.9 million while net loss after tax for FY 2023 was S\$5.8 million. The increase in profitability was due to the same reasons as above.

After adjusting for the impact of the fire incident, FY 2024 would have recorded a net profit after tax of S\$2.9 million, which represents an increase of S\$1.0 million or 53.5% year-on-year.

## REVIEW OF PERFORMANCE (cont'd)

### Profitability Review (cont'd)

#### (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\$1.7 million and S\$1.5 million in H2 2024 and FY 2024 respectively were largely due to the appreciation of Malaysian Ringgit and Thai Baht against Singapore Dollar.

#### H2 2024 vs H1 2024

#### H2 2024 vs H2 2023

Translation losses in H1 2024 and H2 2023 were S\$0.2 million and S\$0.5 million respectively. As a result, comprehensive income for H2 2024 at S\$7.7 million was S\$5.9 million higher than H1 2024 while comprehensive loss of S\$7.2 million was recorded in H2 2023.

#### FY 2024 vs FY 2023

Year-on-year, comprehensive income for FY 2024 was S\$9.4 million as compared to comprehensive loss of S\$7.0 million.

## REVIEW OF PERFORMANCE (cont'd)

### Financial Position Review

Financial Position Highlights	As at		Variance 31 December 2024 vs 31 December 2023 Fav/(Unfav)
	31 December 2024	31 December 2023	
Cash (S\$mil)	16.0	13.6	2.4
Borrowings (S\$mil)	25.2	28.5	3.3
Current ratio (times)	1.8	1.7	0.1
Gearing ratio (times)	0.43	0.57	0.14
Net gearing ratio (times)	0.16	0.30	0.14
Net assets per share attributable to equity holders of the Company (cents)	43.92	37.48	6.44
Inventory turnover (days)	147	170	23
Trade receivables turnover (days)	66	76	10
Trade payable turnover (days)	27	35	(8)

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

The carrying value of property, plant and equipment increased by S\$2.2 million from S\$14.6 million as at 31 December 2023 to S\$16.8 million as at 31 December 2024. This was due to additional capital expenditure of S\$3.0 million (mainly for construction in progress, motor vehicles and plant and machinery) and translation gains of S\$0.5 million.

The increase was offset by depreciation charge of S\$1.0 million and property, plant and equipment disposed and written down of S\$0.3 million (mainly for freehold land and building) in the current year.

## REVIEW OF PERFORMANCE (cont'd)

### Financial Position Review (cont'd)

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

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

#### (j) Investment in associated companies

Carrying value of our associated companies increased by S\$1.0 million from S\$8.4 million as at 31 December 2023 to S\$9.4 million as at 31 December 2024. Positive contribution from operation in the current year of S\$1.2 million and translation gains of S\$0.3 million was offset by dividend return of S\$0.5 million.

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

Financial assets at fair value through other comprehensive income as at 31 December 2024 and 31 December 2023 related to investment in unquoted equity shares. There was no change in the fair value of the unquoted equity shares.

#### (l) Trade and other receivables

Net trade receivables decreased marginally by S\$0.1 million from S\$23.0 million as at 31 December 2023 to S\$22.9 million as at 31 December 2024. Turnover days improved from 76 days for FY 2023 to 66 days in FY 2024. Other receivables decreased by S\$0.3 million as compared to 31 December 2023.

#### (m) Inventories

Inventories decreased by S\$1.9 million or 5.4% from S\$33.6 million as at 31 December 2023 to S\$31.7 million as at 31 December 2024. The decrease in inventory was mainly due to higher sales in FY 2024 and prudent inventory management. Inventory turnover days improved by 23 days from 170 days for FY 2023 to 147 days for FY 2024.

#### (n) Other current assets

Other current assets increased by S\$0.9 million or 50.0% to S\$2.6 million as at 31 December 2024 primarily due to higher advance payments to suppliers (S\$0.4 million) and higher prepayment of expenses (S\$0.5 million).

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

Financial assets at fair value through profit or loss amounted to S\$45,000 as at 31 December 2024.

Financial liabilities at fair value through profit or loss decreased by S\$42,000 to S\$9,000 as at 31 December 2024.

#### (p) Trade and other payables

Total trade payables decreased by S\$0.8 million or 10.7% from S\$7.1 million as at 31 December 2023 to S\$6.3 million as at 31 December 2024. Turnover days decreased to 27 days in FY 2024 as compared to 35 days in FY 2023.

Other payables in aggregate consisting of accrued operating expenses, advance payments from customer and sundry payables increased by S\$0.5 million from S\$8.1 million as at 31 December 2023 to S\$8.6 million as at 31 December 2024. The increase was mainly due to higher accrued operating expenses of S\$0.3 million and higher sundry creditors and advance payment received from customers of S\$0.1 million each.

## REVIEW OF PERFORMANCE (cont'd)

### Financial Position Review (cont'd)

#### (q) Financial liabilities - lease liabilities

The carrying value of lease liabilities increased from S\$2.9 million as at 31 December 2023 to S\$3.1 million as at 31 December 2024. Additional lease liabilities recognized of S\$0.6 million and accretion of interest of S\$0.2 million were offset by repayment of lease liabilities of S\$0.5 million in FY 2024.

#### (r) Borrowings

Total borrowings decreased by S\$3.3 million or 11.4% from S\$28.5 million as at 31 December 2023 to S\$25.2 million as at 31 December 2024. This decrease was mainly due to repayment of trade borrowings.

In line with lower total borrowings, our gearing ratio and net gearing ratio decreased from 0.57 times and 0.30 times as at 31 December 2023 to 0.43 times and 0.16 times as at 31 December 2024 respectively.

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

Net asset value per share increased from 37.48 cents as at 31 December 2023 to 43.92 cents as at 31 December 2024 primarily due to comprehensive income recorded for equity holders of S\$9.4 million offset by dividend payment of S\$0.6 million and acquisition of equity shares from non-controlling interests of S\$1.1 million in FY 2024.

### Cashflow Review

On the back of strong profit, positive cash flow from operating activities of S\$11.0 million was generated in FY 2024. Other major cash inflows under investing activities were dividends received from associated company of S\$0.5 million and proceeds from the sales of property, plant and equipment of S\$0.9 million.

Positive cashflow generated was utilised to reduce borrowings of S\$3.3 million and to meet other major cash outflows in FY 2024 such as payments for property, plant and equipment of S\$2.7 million, purchase of equity shares from non-controlling interests of S\$1.2 million, payment of dividends of S\$0.9 million and payments of bank interest of S\$1.8 million.

As such, overall cash and cash equivalents increased by S\$2.3 million from S\$13.0 million as at 31 December 2023 to S\$15.3 million as at 31 December 2024.



## **RISK**

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

### **Economic risk**

Economic growth in FY 2024 had been resilient but the geopolitical conflicts in Ukraine and the Middle East region remain unresolved.

Any major shift in US economic policies after President Donald Trump took office could significantly alter outlook of global trade flows and economic growth.

China's economic recovery has also been sluggish. The trade tariffs imposed by US on China may hinder its recovery.

These factors 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.

### **Supply chain risk**

Although a ceasefire to the Israel-Hamas conflict has been agreed, it remains to be seen if a complete end to the Israel-Hamas war can be achieved. 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 not immune, are less susceptible to oil price fluctuations, in comparison to bulk commodity chemicals due to the fact that they are more downstream product whose usage in the finished product is smaller.

### **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. This will have a negative impact on our profitability.

### **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 are trending downwards following interest rates by central banks, they remain fairly elevated. Hence our borrowing cost will 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 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**

The road ahead for the global economy is likely to be bumpy as political conflicts in Ukraine and the Middle East region, trade protectionism and sluggish economic recovery in China continue to pose a threat to the global economic growth trajectory.

#### **Chemical industry**

The chemical industry may continue to face supply chain risks as the Middle East conflicts will take a while to reach a full resolution even though a ceasefire has been agreed. Managing inventory therefore remains challenging. Business conditions in the industry is primarily dependent on continued growth in manufacturing activities.

#### **Megachem**

Given the supply chain challenges the industry face, prudent inventory management will be a key focus for Megachem in 2025.

Megachem's chemical products are sold to a wide spectrum of industries. Our business prospects are to a large extent intertwined with the chemical industry and overall economy. If the conditions in the global economy and industry remain positive, the recovery momentum in our business, seen in 2024, may remain intact in 2025. However, any deterioration in economic growth could alter the picture of our growth outlook.

#### **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 had just recently commenced, following the completion of the piling phase. If all go as planned, construction is targeted to complete by end of 2025.

The budget for the warehouse rebuilding is estimated at about S\$19 million of which S\$16.2 million is for the construction and the balance for professional fees, equipment and other fixtures. This is budgeted to be funded by insurance compensation proceeds, bank loan and internal funds.

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. The new warehouse, which is stringently compliant with Major Hazard Installations (MHI) Regulations, more environmentally-friendly and has bigger warehousing capacity, will enhance our operational efficiency and long-term strategic 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 2024 for approval by the shareholders at the next Annual General Meeting to be convened.

Name of dividend for FY 2024	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 2023? No

In view of the occurrence of the fire incident and after considering the consequential additional working capital required, no dividend was declared for the immediately preceding financial year ended 31 December 2023.

Name of dividend for FY 2023	Interim	Final	Total
Dividend type (ordinary dividends)	Nil	Nil	Nil
Dividend amount per share (in cents)	Nil	Nil	Nil
Dividend paid/proposed (S\$)	Nil	Nil	Nil
Tax rate	Nil	Nil	Nil

### (c) Date payable

The final tax-exempt dividend of 0.5 cents per share in respect of the financial year ended 31 December 2024, subject to approval by the shareholders at the next Annual General Meeting to be convened, will be paid on 26 June 2025.

### (d) Record date

The Share Transfer Books and Register of Members of the Company will be closed on 10 June 2025 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 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 final tax-exempt dividend of 0.5 cents per share will be made on 26 June 2025.



## Breakdown of sales

	Full year ended 31 December 2024 S\$'000	Full year ended 31 December 2023 S\$'000	Variance Increase/(decrease) S\$'000 %	
<u>Sales</u>				
(a) Sales for the first half ("H1")	65,175	60,685	4,490	7.4%
(b) Sales for the second half ("H2")	63,666	62,324	1,342	2.2%
<i>(Decrease)/increase H2 from H1</i>	<i>(1,509)</i>	<i>1,639</i>		
<i>(Decrease)/increase H2 from H1 (%)</i>	<i>(2.3%)</i>	<i>2.7%</i>		
<u>Operating profit after tax</u>				
(c) Operating profit after tax and before attributing to non-controlling interests for H1	1,983	930	1,053	> 100.0%
(d) Operating profit after tax and before attributing to non-controlling interests for H2	5,930	(6,732)	12,662	NM
<i>(Decrease)/increase H2 from H1</i>	<i>3,947</i>	<i>(7,662)</i>		
<i>(Decrease)/increase H2 from H1 (%)</i>	<i>&gt; 100.0%</i>	<i>NM</i>		

NM : not meaningful

## 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	57	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	30	Daughter of Mr Chew Choon Tee, the Managing Director and substantial shareholder of the Company	Group Procurement Manager since 1 August 2024.	Clarissa Chew Lee Lean was appointed as Group Procurement Manager on 1 August 2024 and is responsible for developing and implementing group strategic purchasing plans and policies, managing supplier relationships and ensuring regulatory compliance.

The following directors and substantial shareholders have confirmed that as at 31 December 2024, 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 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 706(A) of the Catalyst Rules**

An announcement was made on 28 March 2024 (announcement reference SG240308OTHRH8B3) to inform shareholders that the Company has increased its percentage shareholding in Megachem (UK) Limited (“MUL”), its 85% owned subsidiary company, by acquiring 12,000 ordinary shares at a total consideration of S\$393,415 from an existing minority shareholder. Subsequent to the above acquisition, the Company’s percentage shareholding in MUL increased from 85% to 97%.

A second announcement was made on 29 November 2024 (announcement reference SG24241129OTHR52Z3) to inform shareholders that the Company has increased its percentage shareholding in Megachem Raya Pte Ltd and its subsidiary (“MGR Group”), its 74% owned subsidiary company, by acquiring 70,000 ordinary shares at a total consideration of S\$766,874 from an existing minority shareholder. Subsequent to the above acquisition, the Company’s percentage shareholding in MGR Group increased from 74% to 83%.

On behalf of the Board of Directors

Chew Choon Tee  
Managing Director

20 February 2025