



NEWS RELEASE

MEGACHEM REPORTS NET PROFIT AFTER TAX OF S\$3.9 MILLION AND PROPOSES FINAL DIVIDEND OF 0.5 CENTS PER SHARE

- Revenue decreased 3.4% to S\$124.4 million due to softer demand for chemicals amid macroeconomic and geopolitical headwinds
- Maintains healthy financial position with net gearing ratio of 0.34 times¹
- Including an interim dividend of 0.5 cents per share, total dividend for the full year of FY2025 totalled 1.0 cents per share.

Singapore, 25 February 2026 – Megachem Limited (“**Megachem**” or the “**Company**”, and together with its subsidiaries and associated companies, collectively the “**Group**”), a global one-stop specialty chemical solutions provider, today reported a 3.4% decrease in revenue to S\$124.4 million for the full year ended 31 December 2025 (“**FY2025**”). Net profit after tax for FY2025 stood at S\$3.9 million, which represents an increase of S\$1.0 million or 31.1% over the adjusted net profit after tax for FY2024. The adjustment for FY2024 net profit after tax was for the impact of a fire incident which took place in July 2023.

Mr. Sidney Chew (“**Mr Chew**”), Managing Director of the Group, said, “FY2025 was a challenging year for the chemicals industry amid ongoing global economic and geopolitical uncertainties. The current oversupply and trade complexities have impacted customer demand and led to softening prices. Despite this, our business has remained resilient, which is testament to our proven business model, extensive global networks and large customer base.”

¹ As at 31 December 2025.

Performance Review

Megachem recorded a revenue of S\$124.4 million in FY2025, a decrease of 3.4% as compared to S\$128.8 million in FY2024. The marginal decline in revenue was mainly attributable to lower sales across most markets due to softer demand and an oversupply of chemicals amid ongoing macroeconomic and geopolitical uncertainties.

In terms of geographical segments, revenue from ASEAN, the Group's largest market, decreased by 8.3% to S\$68.1 million in FY2025, compared to S\$74.2 million recorded in FY2024. Meanwhile, revenue from Europe, the Group's second largest market, declined 1.1% to S\$16.1 million in FY2025 compared to S\$16.3 million in FY2024. Notably, North Asia and Middle-east markets saw a 27.5% and 5.3% increase in revenue over the same corresponding period. Other market segments of Australia and South Asia registered a decrease in sales.

Total operating expenses decreased by S\$4.7 million or 14.4% year-on-year to S\$27.8 million in FY2025, largely due to the absence of expenses incurred from the fire incident such as the demolition and decontamination costs and waste disposal costs, which amounted to S\$3.8 million in FY2024.

Megachem recorded a net profit after tax of S\$3.9 million in FY2025, 50.6% lower year-on-year. The decrease in profitability was mainly due to lower other income such as lower insurance compensation claims from the fire incident and lower gain on disposal of property, plant and equipment and lower share of profits of associates, offset by lower expenses. After adjusting FY2024's net profit after tax for the impact of the fire incident, FY2025 net profit after tax would have increased by S\$1.0 million or 31.1% year-on-year.

The Group's liquidity remained stable, with cash and bank balances decreasing from S\$16.0 million as at 31 December 2024, to S\$14.0 million as at 31 December 2025. Net gearing ratio increased to 0.34 times as at 31 December 2025 from 0.16 times a year ago,

in line with higher borrowings which were used to finance the reconstruction of the warehouse.

Earnings per share for FY2025 came in at 2.88 cents as compared to earnings per share of 5.93 cents in FY2024. Net asset value per ordinary share increased to 46.0 cents as at 31 December 2025, up from 43.92 cents as at 31 December 2024.

Final Dividend

In appreciation of the support from the Group's valued shareholders, the Board of Directors has recommended a final dividend of 0.5 cent per share for FY2025, subject to the approval by shareholders at the next Annual General Meeting to be convened. Including the interim dividend of 0.5 cent per share, the total dividend amounts to 1.0 cent per share for FY2025, translating into a dividend payout ratio of 34.8%.

Outlook

Looking ahead, the global operating environment is expected to remain challenging amid heightened geopolitical risks, ongoing trade tensions, and concerns over inflationary pressures as well as fears of an AI bubble. Growth in the chemicals industry is expected to remain modest if the current oversupply and trade complexities do not improve.

“Macroeconomic and geopolitical uncertainties will continue to weigh on business sentiment in the year ahead. As our business is closely linked to global economic conditions and industry demand, the Group will continue to focus on building a resilient business model anchored by our customer and Asia-centric focus. We will also carefully access opportunities to deepen our coverage across market segments to accelerate long-term growth, while ensuring prudent oversight and disciplined financial management.” concluded Mr Chew.

Rebuilding Our Warehouse

The Group took a decision to rebuild its warehouse, which was damaged in the fire incident on 5 July 2023. The new warehouse will have an expanded capacity of about 60 – 80% of the current warehousing requirement and higher safety standards.

The new warehouse is nearing completion and we are seeking regulatory clearance for the Temporary Occupational Permit to be issued. Barring unforeseen circumstances, we hope the new warehouse can be fully operational by end 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

About Megachem Limited

Established in 1988, Megachem is a one-stop specialty chemical solutions provider. We provide integrated value-added services including distribution and contract manufacturing of specialty chemicals to meet our customers' requirements.

The Group distributes its products globally through its extensive distribution network in Singapore, Malaysia, Indonesia, Thailand, the Philippines, Vietnam, China, India, Middle East, Australia and the United Kingdom.

Megachem distributes over 1,000 different types and grades of specialty chemicals, with a wide range of applications to an established and diversified base of more than 2,000 industrial customers, comprising mostly well-known multinational companies. The Group serves a wide spectrum of industries including electronics, water treatment, metal finishing, construction, oil and gas, food, beverage, flavours, fragrance, pharmaceuticals, polymers, coatings, rubber and plastics.

To enhance the Group's competitive edge and complement its strength in distribution, Megachem provides integrated services such as the contract manufacturing of specialty chemicals and other ancillary services for its customers.

For more information, please visit www.megachem.com.sg.

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

This press release has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange assumes no responsibility for the contents of this press release, including the correctness of any of the statements or opinions made or reports contained in this press release.

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