



Multi-Chem Limited

(Incorporated in Singapore. Registration Number: 198500318Z)

Interim Financial Statements and Dividend Announcement

For the financial period from 1 January 2015 to 30 June 2015

Multi-Chem Limited

Registration No. 198500318Z

Interim Financial Statements and Dividend Announcement

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CONSOLIDATED INCOME STATEMENT

Group	3 months ended			6 months ended		
	30/6/2015	30/6/2014	Change	30/6/2015	30/6/2014	Change
	\$'000	\$'000	%	\$'000	\$'000	%
Revenue	85,130	63,801	33	167,157	138,626	21
Cost of sales	(70,171)	(53,483)	31	(139,765)	(117,333)	19
Gross profit	14,959	10,318	45	27,392	21,293	29
Other items of income						
- Interest income	120	112	7	262	195	34
- Other income	(647)	333	(294)	916	1,224	(25)
Other items of expense						
- Selling and distribution costs	(4,915)	(5,207)	(6)	(11,289)	(10,937)	3
- Administrative expenses	(6,261)	(4,635)	35	(11,604)	(9,950)	17
- Finance costs	(161)	(153)	5	(323)	(293)	10
- Share of results of an associate, net of tax	-	(190)	Nm	(30)	(237)	(87)
Profit before income tax	3,095	578	435	5,324	1,295	311
Income tax expense	(710)	(397)	79	(1,417)	(769)	84
Profit for the financial period	2,385	181	1,218	3,907	526	643
Profit attributable to:						
Owners of the parent	2,218	164	1,252	3,432	302	1,036
Non-controlling interests	167	17	882	475	224	112
	2,385	181	1,218	3,907	526	643
Earnings per share for profit attributable to owners of the parent during the financial period (expressed in cents per share)						
Basic	2.46 cents	0.18 cents		3.81 cents	0.34 cents	
Diluted	2.46 cents	0.18 cents		3.81 cents	0.34 cents	

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Group	3 months ended			6 months ended		
	30/6/2015	30/6/2014	Change	30/6/2015	30/6/2014	Change
	\$'000	\$'000	%	\$'000	\$'000	%
Profit for the financial period	2,385	181	1,218	3,907	526	643
<i>Other comprehensive income for the financial period:</i>						
Items that may be reclassified subsequently to profit or loss:						
Foreign currency differences						
on translation of foreign operations	(1,750)	(519)	237	1,047	(2,136)	(149)
Available-for-sale financial assets						
fair value gains	46	-	Nm	79	-	Nm
	(1,704)	(519)	228	1,126	(2,136)	(153)
Income tax relating to components of other comprehensive income	-	-	-	-	-	-
Other comprehensive income for the financial period, net of tax	(1,704)	(519)	228	1,126	(2,136)	(153)
Total comprehensive income for the financial period	681	(338)	(301)	5,033	(1,610)	(413)
Total comprehensive income attributable to:						
Owners of the parent	621	(316)	(297)	4,464	(1,775)	(351)
Non-controlling interests	60	(22)	(373)	569	165	245
	681	(338)	(301)	5,033	(1,610)	(413)

Nm : Not meaningful

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NOTES TO CONSOLIDATED INCOME STATEMENT

The profit before income tax is arrived at after (charging)/crediting:

Group	3 months ended			6 months ended		
	30/6/2015	30/6/2014	Change	30/6/2015	30/6/2014	Change
	\$'000	\$'000	%	\$'000	\$'000	%
Other gains	592	428	38	916	787	16
Interest income	120	112	7	262	195	34
Interest expense	(161)	(153)	5	(323)	(293)	10
Depreciation of property, plant and equipment	(962)	(1,057)	(9)	(2,539)	(2,198)	16
Allowance (made)/reversed for doubtful third parties trade receivables	(963)	328	(394)	(1,207)	(215)	461
Doubtful third parties trade receivables written off	(12)	-	Nm	(50)	-	Nm
Allowance for inventory obsolescence	(251)	(473)	(47)	(1,232)	(1,333)	(8)
Inventories written off	-	(223)	Nm	(40)	(211)	(81)
Foreign exchange (loss)/gain, net	(1,324)	(77)	1,619	(94)	437	(122)
Loss on disposals of plant and equipment	(28)	(63)	(56)	(19)	(45)	(58)
Plant and equipment written off	(17)	(21)	(19)	(18)	(21)	(14)

Nm : Not meaningful

Multi-Chem Limited

Registration No. 198500318Z

Interim Financial Statements and Dividend Announcement*For the financial period from 1 January 2015 to 30 June 2015***STATEMENTS OF FINANCIAL POSITION**

	Group		Company	
	30/6/15	31/12/14	30/6/15	31/12/14
	\$'000	\$'000	\$'000	\$'000
Non-current assets				
Property, plant and equipment	22,349	23,571	4,104	3,597
Investment property	-	-	1,701	1,718
Investments in subsidiaries	-	-	31,299	31,299
Investment in an associate	-	224	-	224
Club memberships	387	380	-	-
Deferred tax assets	2,027	1,986	-	-
Available-for-sale investment	3,795	3,647	3,795	3,647
Other receivables	604	708	-	-
Prepayment	762	804	762	804
	29,924	31,320	41,661	41,289
Current assets				
Inventories	23,444	33,479	351	301
Trade and other receivables	84,333	75,994	33,980	32,264
Prepayments	1,058	830	215	238
Current income tax recoverable	3,027	3,396	551	551
Cash and cash equivalents	40,960	43,629	3,147	11,142
	152,822	157,328	38,244	44,496
Less:				
Current liabilities				
Trade and other payables	53,739	59,386	3,400	2,965
Finance lease payables	193	129	155	91
Bank borrowings	30,582	33,506	9,121	13,414
Current income tax payable	668	764	-	-
	85,182	93,785	12,676	16,470
Net current assets	67,640	63,543	25,568	28,026
Less:				
Non-current liabilities				
Finance lease payables	232	165	229	143
Bank borrowings	2,916	3,333	2,900	3,219
	3,148	3,498	3,129	3,362
	94,416	91,365	64,100	65,953
Equity				
Share capital	37,288	37,288	37,288	37,288
Foreign currency translation reserve	3,202	2,249	-	-
Available-for-sale reserve	135	56	135	56
Other reserve	4,796	4,796	-	-
Retained earnings	43,587	42,137	26,677	28,609
Equity attributable to owners of the parent	89,008	86,526	64,100	65,953
Non-controlling interests	5,408	4,839	-	-
Total equity	94,416	91,365	64,100	65,953

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CONSOLIDATED STATEMENT OF CASH FLOWS

	3 months ended		6 months ended	
	30/6/2015	30/6/2014	30/6/2015	30/6/2014
	\$'000	\$'000	\$'000	\$'000
OPERATING ACTIVITIES				
Profit before income tax	3,095	578	5,324	1,295
Adjustments for:				
- Allowance made/(reversed) for doubtful third parties trade receivables	963	(328)	1,207	215
- Allowance for inventory obsolescence	251	473	1,232	1,333
- Currency translation adjustment	130	(72)	359	(304)
- Depreciation of property, plant and equipment	962	1,057	2,539	2,198
- Doubtful third parties trade receivables written off	12	-	50	-
- Loss on disposals of plant and equipment	28	63	19	45
- Interest expense	161	153	323	293
- Interest income	(120)	(112)	(262)	(195)
- Inventories written off	-	223	40	211
- Plant and equipment written off	17	21	18	21
- Share of results of an associate	-	190	30	237
Operating cash flows before working capital changes	5,499	2,246	10,879	5,349
Working capital changes:				
- Inventories	1,047	(1,485)	8,763	4,678
- Trade and other receivables	(6,644)	11,735	(9,492)	9,803
- Prepayments	393	216	(186)	(166)
- Trade and other payables	2,051	5,555	(5,647)	(7,244)
Cash generated from operations	2,346	18,267	4,317	12,420
Interest received	120	112	262	195
Income tax paid	107	(1,004)	(1,132)	(1,709)
Net cash from operating activities	2,573	17,375	3,447	10,906

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CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

	3 months ended		6 months ended	
	30/6/2015	30/6/2014	30/6/2015	30/6/2014
	\$'000	\$'000	\$'000	\$'000
INVESTING ACTIVITIES				
Proceeds from liquidation of an associate	-	-	194	-
Proceeds from disposals of plant and equipment	51	37	146	123
Purchase of plant and equipment	(635)	(258)	(792)	(751)
Net cash used in investing activities	(584)	(221)	(452)	(628)
FINANCING ACTIVITIES				
Decrease/(Increase) in fixed deposits pledged	609	(12)	7,919	583
Proceeds from bank borrowings	15,082	8,239	36,285	27,050
Repayments of bank borrowings	(11,362)	(14,954)	(39,626)	(34,376)
Repayments of finance lease payables	(37)	(32)	(69)	(63)
Interest paid	(161)	(153)	(323)	(293)
Dividends paid to owners of the parent	(1,982)	(1,982)	(1,982)	(1,982)
Net cash generated from/(used in) financing activities	2,149	(8,894)	2,204	(9,081)
Net change in cash and cash equivalents	4,138	8,260	5,199	1,197
Cash and cash equivalents at beginning of financial period	35,815	31,262	33,718	38,870
Effects of exchange rate changes on cash and cash equivalents	(985)	(157)	51	(702)
Cash and cash equivalents at end of financial period	38,968	39,365	38,968	39,365

Note 1

Cash and cash equivalents at end of financial period comprise of:

Cash and cash equivalents as per Statement of Financial Position	40,960	40,391	40,960	40,391
Less: Fixed deposits pledged with banks	(1,992)	(1,026)	(1,992)	(1,026)
	38,968	39,365	38,968	39,365

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STATEMENTS OF CHANGES IN EQUITY

Group	Share capital \$'000	Premium on acquisition of non-controlling interests \$'000	Available-for-sale reserve \$'000	Foreign currency translation reserve/(account) \$'000	Statutory surplus reserve \$'000	Retained earnings \$'000	Equity attributable to owners of the parent \$'000	Non-controlling interests \$'000	Total equity \$'000
Balance at 1 January 2015	37,288	(123)	56	2,249	4,919	42,137	86,526	4,839	91,365
Profit for the financial year	-	-	-	-	-	3,432	3,432	475	3,907
Other comprehensive income for the financial year									
Foreign currency differences on translation of foreign operations	-	-	-	953	-	-	953	94	1,047
Available-for-sale financial assets fair value gains	-	-	79	-	-	-	79	-	79
Total comprehensive income for the financial year	-	-	79	953	-	3,432	4,464	569	5,033
Contributions by and distributions to the owners of the parent									
Dividends	-	-	-	-	-	(1,982)	(1,982)	-	(1,982)
Total transactions with the owners of the parent	-	-	-	-	-	(1,982)	(1,982)	-	(1,982)
Balance at 30 June 2015	37,288	(123)	135	3,202	4,919	43,587	89,008	5,408	94,416
Balance at 1 January 2014	37,288	(123)	-	468	6,132	39,039	82,804	4,061	86,865
Profit for the financial year	-	-	-	-	-	302	302	224	526
Other comprehensive income for the financial year									
Foreign currency differences on translation of foreign operations	-	-	-	(2,077)	-	-	(2,077)	(59)	(2,136)
Total comprehensive income for the financial year	-	-	-	(2,077)	-	302	(1,775)	165	(1,610)
Contributions by and distributions to the owners of the parent									
Dividends	-	-	-	-	-	(1,982)	(1,982)	-	(1,982)
Total transactions with the owners of the parent	-	-	-	-	-	(1,982)	(1,982)	-	(1,982)
Balance at 30 June 2014	37,288	(123)	-	(1,609)	6,132	37,359	79,047	4,226	83,273

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STATEMENTS OF CHANGES IN EQUITY (Continued)

Company	Share capital \$'000	Retained earnings \$'000	Available-for-sale reserve \$'000	Total equity \$'000
Balance at 1 January 2015	37,288	28,609	56	65,953
Profit for the financial period	-	50	-	50
Other comprehensive income for the financial year				
Available-for-sale financial assets fair value gains	-	-	79	79
Total comprehensive income for the financial period	-	50	79	129
Transaction with the owners				
Dividends	-	(1,982)	-	(1,982)
Total transactions with the owners	-	(1,982)	-	(1,982)
Balance at 30 June 2015	37,288	26,677	135	64,100
Balance at 1 January 2014	37,288	33,852	-	71,140
Profit for the financial period	-	702	-	702
Total comprehensive income for the financial period	-	702	-	702
Transactions with the owners				
Dividends	-	(1,982)	-	(1,982)
Total transactions with the owners	-	(1,982)	-	(1,982)
Balance at 30 June 2014	37,288	32,572	-	69,860

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A review of the financial performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonable or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

REVENUE

The Group achieved a turnover of \$85.1m for the three months ended 30 June 2015 ("2Q2015"), an increase of 33.4% or \$21.3m compared to the revenue of \$63.8m for the three months ended 30 June 2014 ("2Q2014"). For the six months ended 30 June 2015 ("1H2015"), the Group achieved turnover of \$167.2m, a year-on-year increase of 20.6% or \$28.6m, compared to revenue of \$138.6m achieved for the six months ended 30 June 2014 ("1H2014").

In comparison to the three months ended 31 March 2015 ("1Q2015"), the revenue for 2Q2015 increased marginally by 3.8% or \$3.1m from \$82.0m in 1Q2015 to \$85.1m in 2Q2015.

For 1H2015, the IT distribution business accounted for 92.1% of Group revenue, while the manufacturing service and PCB-related distribution business accounted for the remaining 7.9% of Group revenue.

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REVENUE

PCB Division

Revenue in this Division increased by 13.3% or \$0.8m, from \$6.0m in 2Q2014 to \$6.8m in 2Q2015, Comparing 2Q2015 to 1Q2015, revenue in this Division increased marginally by 7.9% or \$0.5m from \$6.3m in 1Q2015 to \$6.8m in 2Q2015 due to the increase for demand of electronic products.

IT Division

The IT distribution business achieved a quarterly revenue of \$78.3m in 2Q2015, an increase of 35.5% or \$20.5m from \$57.8m in 2Q2014. On a half yearly basis, this business grew by 20.8% or \$26.5m, from \$127.5m in 1H2014 to \$154.0m in 1H2015. The growth was mainly due to the addition of several new products and the expansion of the regional business.

Comparing 2Q2015 to 1Q2015, revenue increased marginally by 3.4% or \$2.6m, from \$75.7m in 1Q2015 to \$78.3m in 2Q2015.

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PROFIT BEFORE TAX (“PBT”)

The Group registered a PBT of \$3.1m in 2Q2015, as compared to a PBT of \$578,000 in 2Q2014.

The improved PBT was due to the following:-

- (1) A significant increase of \$4.6m in gross profit mainly due to the increase in revenue and an increase in gross profit margin by 1.4 percentage points from 16.2% in 2Q2014 to 17.6% in 2Q2015. The increase in gross profit margin was mainly due to:
 - a decrease in allowance for inventory obsolescence from \$473,000 in 2Q2014 to \$251,000 in 2Q2015 based on the review of inventory obsolescence performed;
 - No inventories written off in 2Q2015 as compared to inventory written off of \$223,000 in 2Q2014;
 - the depreciation of RMB, which translated into the depreciation cost in the manufacturing sector to decrease from \$1.1m in 2Q2014 to \$1.0m in 2Q2015;
 - the increase in revenue in the high operating leverage PCB Division. Given the fixed cost of depreciation on laser and mechanical drilling machines, the gross margin is particularly sensitive to changes in production volume; and
- (2) Decrease in loss on disposals of plant and equipment from \$63,000 in 2Q2014 to \$28,000 in 2Q2015.

The improvement in PBT was however ameliorated by the following:

- (1) An increase in net foreign exchange loss from \$77,000 in 2Q2014 to \$1.3m in 2Q2015 mainly due to appreciating USD against other currencies. Excluding net foreign exchange loss, the Group reported a PBT of \$4.4m for 2Q2015 compared to \$655,000 for 2Q2014; and
- (2) Allowance for doubtful third parties trade receivables of \$963,000 in 2Q2015, as compared to reversal in allowance for doubtful third parties trade receivables of \$328,000 in 2Q2014.

Comparing 2Q2015 to 1Q2015, the Group PBT stood at \$3.1m in 2Q2015 as compared to \$2.2m in 1Q2015 mainly due to higher revenue achieved and higher gross profit margin in 2Q2015.

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PROFIT AFTER TAX (“PAT”)

Group PAT increased by \$2.2m, from a profit of \$181,000 in 2Q2014 to a profit of \$2.4m in 2Q2015. Comparing 2Q2015 to 1Q2015, Group PAT increased by 60.0% from \$1.5m in 1Q2015 to \$2.4m in 2Q2015. This increase was in line with the increase in PBT.

Income tax expenses comprised mainly current income tax and deferred tax of the Company and its subsidiaries.

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STATEMENTS OF FINANCIAL POSITION REVIEW

Presented below is a review of material changes in the key statements of financial position items for the financial period ended 30 June 2015.

Cash and cash equivalents at the Group level decreased \$2.6m from \$43.6m to \$41.0m mainly due to payment of dividend. At the Company level, cash and cash equivalents decreased from \$11.1m to \$3.1m. The decrease was mainly due to advance to a subsidiary and repayment of bank borrowings.

Trade and other receivables of the Group increased by \$8.3m from \$76.0m to \$84.3m, due to higher revenue achieved in 2Q2015 as compared to 4Q2014. The increase at the Company level by \$1.7m from \$32.3m to \$34.0m was mainly due to advance to a subsidiary.

Inventories at the Group level decreased by \$10.1m from \$33.5m to \$23.4m due to better inventory management.

Investment in an associate at both Group and Company level decreased to zero following the liquidation of the associate and capital return from the associate.

Property, plant and equipment decreased by \$1.3m from \$23.6m to \$22.3m at the Group level mainly due to depreciation charge and disposal of plant and equipment, net of purchase of new plant and equipment. The increase at the Company level is mainly due to purchase of new plant and equipment, net of depreciation charged.

Trade and other payables decreased by \$5.7m from \$59.4m to \$53.7m at the Group level due mainly to payment made to vendors in 1H2015. Trade and other payables at the Company level remained relatively unchanged.

Borrowings decreased at both Group and Company level mainly due to repayment of short-term loans to banks, net of draw down of loans from the banks.

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CASH FLOW ANALYSIS

Net cash of \$3.5m was generated from operating activities in 1H2015, as compared to net cash of \$10.9m generated from 1H2014. This was mainly due to lower receipts from customers, offset by the effect of improved inventory management and payment to trade and other payables.

Net cash of \$452,000 was used in investing activities in 1H2015 as compared to \$628,000 used in 1H2014. The changes were mainly due to capital return of \$194,000 from the associate following the liquidation.

Net cash of \$2.2m was generated from financing activities in 1H2015 as opposed to \$9.1m used in 1H2014. The change was mainly due to the lifting of the pledged fixed deposit of \$7.9m, proceeds from bank borrowings of \$36.3m, net of the repayment of bank borrowings of \$39.6m and dividend payment of \$2.0m in 1H 2015, as compared to proceeds of bank borrowings of \$27.1m, net of the repayment of bank borrowings of \$34.4m and dividend payment of \$2.0m in 1H 2014.

Cash and cash equivalents stood at \$39.0m as at end of 30 June 2015, slightly down from \$39.4m as at the end of 30 June 2014.

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A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next twelve months.

PCB

Comparing 2Q2015 to 2Q2014, the revenue for this quarter increased by 13.3% or \$0.8m, from \$6.0m in 2Q2014 to \$6.8m in 2Q2015. On a half year basis, revenue increased by 18.9% or \$2.1m from \$11.1m in 1H2014 to \$13.2m in 1H2015.

The Group is currently one of the leading PCB drilling service providers in terms of capacity and technology in Eastern China. As at 30 June 2015, the Group has 143 drilling machines and 22 laser drilling machines. The Group did not dispose any machines in 1H2015. The Group will continue to be selective of its customers, rationalise operations, manage headcount to cut cost and conserve cash.

IT

The IT business through Singapore and the regional offices achieved a revenue growth of 35.5% and 20.8% year-on-year growth in 2Q2015 and 1H2015 respectively over the corresponding periods in year 2014.

The Group has a focused strategy of selling and promoting only the best-of-breed IT products. Among the products the Group currently carries are industry-leading IT products from Blue Coat, Check Point, Citrix, Imperva, Riverbed and RSA.

To promote technical competency internally and to train its partners, the Group is able to provide certified IT training through the Education Services Division of M.Tech Products Pte Ltd, which is authorised to conduct training for Allot, Blue Coat, Check Point, Citrix, Nutanix and Riverbed courses. The Education Services Division is able to provide training courses for MobileIron and SolarWinds too. This business is complementary to the core IT distribution business and is expected to bring about more awareness and technical knowledge through the courses conducted.

As at 30 June 2015, the Group's IT business has a presence in 29 cities in 15 countries in the Asia Pacific region. M.Tech offices in countries that are already mature in operations are expected to contribute more to the Group's performance.

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IT (Continued)

The near term outlook in the IT business is dependent on events such as those political or economic in nature and such events could affect business in certain markets. With the USA interest rates expected to increase in year 2015, the cost of business is expected to increase as well. However, IT is still a critical requirement in businesses and security will continue to remain an integral part of the IT infrastructure. This should augur well for the Group as more efforts are put into growing the IT business.

For growth, the Group will focus on its best-of-breed products and will continue to look out for opportunities for regional expansion. The Group will also be selective of the products we carry so as to be able to do the best for the principals that the M.Tech companies represent. The Group will also promote the M.Tech brand name and intends to work closely with key partners to further promote the products.

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Risk Factors

The Group's primary business risk in its PCB business is the exposure to the electronics products sector. Our customers are PCB manufacturers, most of whom will be exposed to the cyclical nature of the electronics business. Any downturn in the electronics cycle will result in a cutback in outsourcing, which will impact the Group negatively. Additionally, with the typically heavy capital investment required in the manufacturing service business, the Group will be adversely affected should there be a downturn in the electronics business due to the high fixed costs in this business.

The Group's success in the China market will depend on our ability to maintain our technological, quality assurance, capacity and pricing advantage over our competitors. Additionally, we have to monitor trade debts closely as collection of accounts receivable generally takes longer in China. The Group is tightening the credit assessment on customers for all regions.

The Group, with significant investment in China, is also exposed to the political, legal and economic climates of the country. Such risks pertaining to the political, legal and economic climates extend to the other markets in which the Group is operating.

We are also exposed to foreign exchange risks as we mainly transact with our suppliers, vendors and customers in Singapore dollar, US dollar, Chinese renminbi, Thai baht, Malaysian ringgit, and to a lesser extent, Euro, Indonesian rupiah, Philippines peso, Hong Kong dollars, Indian rupee, Korean won, Japanese yen and Australian dollars. The Group may, from time to time, enter into borrowing and foreign exchange arrangements as currency hedges. The Group expects to be exposed to a higher foreign exchange risk with the current volatility of the US dollar against some of the local currencies we collect from the customers.

In the area of IT distribution, the Group is subjected to risk of reliance on a few key vendors, with respect to their channel strategies, as well as product roadmap. The Group is also exposed to the risks of product obsolescence with respect to the hardware carried. Despite such risks, the Group has taken steps to align with the leading names in the IT arena and as such, there is a good probability that such companies will take steps to ensure that their products maintain the technological edge. The Group also monitors its stock on a quarterly basis and will make provisions where necessary.

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Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

The actual results for 1H2015 were largely in line with the prospect commentary disclosed to the shareholders on 5 February 2015.

Interim Financial Statements and Dividend Announcement*For the financial period from 1 January 2015 to 30 June 2015***NOTES TO THE FINANCIAL STATEMENTS****1. AGGREGATE AMOUNT OF GROUP'S BORROWINGS AND DEBT SECURITIES****Amount repayable in one year or less, or on demand**

As at 30 Jun 2015		As at 31 Dec 2014	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
2,592	28,183	9,369	24,266

Amount repayable after one year

As at 30 Jun 2015		As at 31 Dec 2014	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
3,148	-	3,498	-

Additional information and details of any collateral

The secured borrowings are secured on the Group's two properties, four motor vehicles and fixed deposits placed with the financial institutions.

2. SHARE CAPITAL

Group	Issued shares '000	Share capital \$'000	Total share capital \$'000
Balance at 1 Jan 2015	360,381	37,288	37,288
Balance at 30 June 2015 due to share consolidation	90,095	37,288	37,288
Balance at 1 Jan 2014 and 30 Jun 2014	360,381	37,288	37,288

3. A statement showing all sales, transfers, disposal, cancellation and/or issue of treasury shares as at the end of the current financial period reported on.

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited financial statements have been applied.

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the audited annual financial statements for the financial year ended 31 December 2014. In addition, the Group also adopted various revisions to the FRS, which became effective during the period. The said adoption has no significant impact to the financial statements of the Group.

Interim Financial Statements and Dividend Announcement*For the financial period from 1 January 2015 to 30 June 2015***NOTES TO THE FINANCIAL STATEMENTS**

5. If there are any changes in accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Not applicable.

6. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures presented in the announcement have not been audited or reviewed by our auditors.

7. Where the figures have been audited or reviewed, the auditor's report (including any qualification of emphasis of a matter).

Not applicable.

8. Earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

<u>Group</u> Earnings per share attributable to owners of the parent during the financial period (expressed in cents per share)	3 months ended		6 months ended	
	30-Jun-2015	30-Jun-2014 (Restated)	30-Jun-2015	30-Jun-2014 (Restated)
(i) Based on weighted average number of shares	2.46 cents	0.18 cents	3.81 cents	0.34 cents
- Weighted average number of shares ('000)	90,095	90,095	90,095	90,095
(ii) On fully diluted basis	2.46 cents	0.18 cents	3.81 cents	0.34 cents
- Adjusted weighted average number of shares ('000)	90,095	90,095	90,095	90,095

9. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current financial period reported on; and (b) immediately preceding financial year.

	Group		Company	
	30-Jun-2014	31-Dec-2014	30-Jun-2014	31-Dec-2014
Net asset value per share based on existing issued share capital as at the respective period	98.79 cents	24.01 cents	71.15 cents	18.30 cents

The net asset value per ordinary share at the end of the current period and the immediately preceding financial year have been calculated based on 90,095,000 and 360,381,000 ordinary shares respectively.

Interim Financial Statements and Dividend Announcement

For the financial period from 1 January 2015 to 30 June 2015

NOTES TO THE FINANCIAL STATEMENTS

10. DIVIDEND

(a) Current Financial Period Reported On

The Board of Directors is pleased to propose a tax exempt (one-tier) interim dividend of 1.11 cent per ordinary share in respect of the financial results for the second quarter ended 30 June 2015.

The interim dividend will be paid on 27 November 2015. The book closure date will be on 17 November 2015.

(b) Dividend for financial period ended 30 June 2014

The Company declared and paid a tax exempt (one-tier) interim cash dividend of 0.27 cent per ordinary share in respect of the financial results for the second quarter ended 30 June 2014.

11. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions. If no IPT mandate has been obtained, a statement to that effect.

There is no general mandate from shareholders for IPTs obtained.

BY ORDER OF THE BOARD

Foo Suan Sai
Chief Executive Officer
31 July 2015

Negative assurance confirmation on interim financial results under SGX Listing Rule 705(5) of the Listing Manual

We, Foo Suan Sai and Han Juat Hoon, being two Directors of Multi-Chem Limited (the "Company"), do hereby confirm on behalf of the Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial results for the second quarter ended 30 June 2015 to be false or misleading in any material aspects.

On behalf of the Board of Directors

Foo Suan Sai
Chief Executive Officer
Singapore, 31 July 2015

Han Juat Hoon
Chief Operating Officer
Singapore, 31 July 2015