

MULTI-CHEM LIMITED

(Company Registration No. 198500318Z)
(Incorporated in the Republic of Singapore)

ACQUISITION OF PROPERTY

The Board of Directors of Multi-Chem Limited (“**Company**”) is pleased to announce that the Company had on 8 March 2016 exercised an option (the “**Option**”) granted by Dennis Ow, an unrelated third party (the “**Vendor**”), to acquire the property located at 18 Boon Lay Way, #04-108 Tradehub 21, Singapore 609966 (the “**Property**”).

Principal terms of the option

Under the terms of the Option, the purchase price of the Property is S\$1,000,000/- (the “**Purchase Consideration**”). The Purchase Consideration was arrived at on a “willing-buyer, willing-seller” basis after taking into account various commercial factors including the prevailing market conditions, the location of the Property and the comparison of recent transacted prices in the vicinity.

An option fee amounting to S\$10,000/- (the “Option Fee”) had been paid by the Company to the Vendor. A further payment of S\$40,000/-, which together with the Option Fee shall constitute the Deposit, had been paid by the Company to the Vendor on the date of the exercise of the Option, pending completion of the acquisition (“Completion”).

The balance of the Purchase Consideration (the “Balance Purchase Consideration”) will be paid at Completion, which will take place on or around 31 March 2016.

The Purchase Consideration will be funded by internal resources and bank borrowings.

Rationale

The Company intends to utilise the Property to support the operations of its subsidiary, E-Secure Asia Pte. Ltd..

Relative figures pursuant to Rule 1006 of the Listing Manual

The relative figures computed on the bases set out in Rule 1006 of the Listing Manual do not exceed 5%. Accordingly, the acquisition of Property constitutes a non-discloseable transaction as defined under Chapter 10 of the Listing Manual of the SGX-ST.

Financial effects of the acquisition

The aforesaid acquisition is not expected to have any material impact on the consolidated net tangible assets and earnings per share of the Group for the current financial year ending 31 December 2016.

Interest of Directors and Controlling Shareholders

None of the Directors or substantial shareholders of the Group has any interest, direct or indirect, in the acquisition of Property.

BY ORDER OF THE BOARD
Han Juat Hoon
Director

8 March 2016