



Multi-Chem Limited

(Incorporated in Singapore. Registration Number: 198500318Z)

DISPOSAL OF PROPERTY

The Board of Directors of Multi-Chem Limited ("Company") is pleased to announce that the Company had on 24 July 2019 granted an option (the "Option") to Tang Yu-Xuan and/or nominee (the "Purchaser"), an unrelated third party to purchase the property located at 16H Enterprise Road, Singapore 627657 (the "Property").

Principal terms of the option

Under the terms of the Option, the sale price of the Property is S\$930,000 (the "Sale Consideration"). The Sale 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.

Upon exercise of the Option on 13 August 2019, total payment of S\$46,500 was paid by the Purchaser to the solicitors of the Company as stakeholders, pending completion of the disposal of Property ("Completion"). The balance of the Sale Consideration will be paid at Completion, which will take place on or before 1 October 2019.

Rationale

The Company is of the view that the disposal of the Property is in the best interests of the Company as the disposal of the Property will enable the Company to realise the value of the Property and improve the overall cash flow position of the Company.

Relative Figures computed based on Rule 1006 of the Listing Manual

The relative figures for the disposal of the Property computed using applicable bases under Rule 1006 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST") is as follows:

- **Rule 1006(a)**

The net asset value of the Property to be disposed off is 0.84% compared with the Group's net asset value based on the latest announced consolidated accounts.

- **Rule 1006(b)**

The net profits attributable to the Property disposed off is 0.03% compared with the Group's net profits based on the latest announced consolidated accounts.

- Rule 1006(c)

The Sale Consideration for the disposal of the Property constitutes approximately 1.39% of the market capitalization of the Company based on relative figures computed pursuant to Rule 1006 (c) of the Listing Manual of the SGX-ST. The market capitalisation of the Company based on the weighted average price of the Company's shares transacted on 13 August 2019 was S\$66,670,000.

- Rule 1006(d)

Rule 1006(d) of the Listing Manual is not applicable as no equity securities will be issued.

The relative figures computed on the bases set out in Rule 1006 of the Listing Manual do not exceed 5%. Accordingly, the disposal 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 2019.

Interest of Directors and Controlling Shareholders

None of the Directors or substantial shareholders of the Group has any interest, direct or indirect, in the disposal of the Property, save for their shareholdings in the Company.

By Order of the Board
Han Juat Hoon
Director

14 August 2019