



**Multi-Chem Limited**

*(Incorporated in Singapore. Registration Number: 198500318Z)*

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## Unaudited Condensed Interim Financial Statements and Dividend Announcement

*For the financial period from 1 January 2024 to 30 June 2024*

**Unaudited Condensed Interim Financial Statements and Dividend Announcement**  
For the financial period from 1 January 2024 to 30 June 2024

**CONSOLIDATED INCOME STATEMENT**

Group	6 months ended		
	30-06-2024 \$'000	30-06-2023 \$'000 (Restated)	Change %
Revenue	342,533	313,147	9
Cost of sales	(290,636)	(268,279)	8
<b>Gross profit</b>	<b>51,897</b>	<b>44,868</b>	<b>16</b>
<b>Other items of income</b>			
- Interest income	1,483	1,302	14
- Other income	1,023	1,180	(13)
<b>Other items of expense</b>			
- Selling and distribution costs	(17,892)	(18,410)	(3)
- Administrative and other expenses	(14,302)	(13,306)	7
- (Loss allowance)/reversal of allowance on third party trade receivables and contract assets	(819)	370	(321)
- Finance costs	(571)	(461)	24
<b>Profit before income tax</b>	<b>20,819</b>	<b>15,543</b>	<b>34</b>
Income tax expense	(4,399)	(4,131)	6
<b>Profit for the financial period</b>	<b>16,420</b>	<b>11,412</b>	<b>44</b>
<b>Profit attributable to:</b>			
Owners of the Company	16,420	11,412	44
<b>Earnings per share for profit attributable to owners of the parent during the financial period</b> (expressed in cents per share)			
Basic	18.23 cents	12.67 cents	
Diluted	18.23 cents	12.67 cents	

**Multi-Chem Limited**

Registration No. 198500318Z

**Unaudited Condensed Interim Financial Statements and Dividend Announcement***For the financial period from 1 January 2024 to 30 June 2024***CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

Group	6 months ended		
	30-06-2024	30-06-2023	Change
	\$'000	\$'000	%
<b>Profit for the financial period</b>	16,420	11,412	44
<b>Other comprehensive income for the financial period:</b>			
<i>Item that may be reclassified subsequently to profit or loss</i>			
Foreign currency differences on translation of foreign operations	2,461	349	605
<i>Item that will not be reclassified subsequently to profit or loss</i>			
Fair value change in financial asset, at FVOCI	(6)	(148)	(96)
<b>Other comprehensive income for the financial period, net of tax</b>	2,455	201	1,121
<b>Total comprehensive income for the financial period</b>	18,875	11,613	63
<b>Total comprehensive income attributable to:</b>			
Owners of the Company	18,875	11,613	63

**Multi-Chem Limited**

Registration No. 198500318Z

**Unaudited Condensed Interim Financial Statements and Dividend Announcement**

For the financial period from 1 January 2024 to 30 June 2024

**STATEMENTS OF FINANCIAL POSITION**

	Group		Company	
	30-06-2024	31-12-2023	30-06-2024	31-12-2023
	\$'000	\$'000	\$'000	\$'000
<b>Non-current assets</b>				
Property, plant and equipment	7,937	8,098	327	589
Investment properties	-	-	2,218	2,246
Investments in subsidiaries	-	-	-	-
Club memberships	1,003	990	374	374
Right-of-use assets	2,105	1,768	115	142
Deferred tax assets	6,576	5,974	-	-
Financial asset, at FVOCI	1	7	-	-
Financial asset, at FVPL	5,012	4,813	5,012	4,813
Derivative financial instruments	7	-	-	-
Trade receivables	25,197	17,533	-	-
Prepayments	863	1,094	12	55
	48,701	40,277	8,058	8,219
<b>Current assets</b>				
Inventories	75,782	86,847	288	335
Trade and other receivables	183,299	172,149	35,383	23,495
Contract assets	1,021	1,148	-	-
Prepayments	1,453	1,490	141	115
Current income tax recoverable	4,286	6,650	-	-
Derivative financial instruments	6	-	-	-
Fixed deposits	23,190	34,276	21,162	23,447
Cash and bank balances	29,233	38,771	2,304	4,110
	318,270	341,331	59,278	51,502
Less:				
<b>Current liabilities</b>				
Trade and other payables	166,236	182,244	4,593	7,373
Contract liabilities	22,436	31,434	3	-
Lease liabilities	799	786	55	48
Bank borrowings	-	786	-	-
Current income tax payable	5,771	5,877	-	-
	195,242	221,127	4,651	7,421
<b>Net current assets</b>	<b>123,028</b>	<b>120,204</b>	<b>54,627</b>	<b>44,081</b>
Less:				
<b>Non-current liabilities</b>				
Trade payables	15,934	9,524	-	-
Contract liabilities	3,244	3,571	-	-
Lease liabilities	1,432	1,122	71	99
Provision for post-employee benefits	656	637	-	-
Deferred tax liabilities	1,349	1,423	7	7
	22,615	16,277	78	106
	<b>149,114</b>	<b>144,204</b>	<b>62,607</b>	<b>52,194</b>
<b>Equity</b>				
Share capital	37,288	37,288	37,288	37,288
Foreign currency translation account	(1,128)	(3,589)	-	-
Other reserves	(1,151)	(1,145)	-	-
Retained earnings	114,105	111,650	25,319	14,906
<b>Total equity</b>	<b>149,114</b>	<b>144,204</b>	<b>62,607</b>	<b>52,194</b>

**Unaudited Condensed Interim Financial Statements and Dividend Announcement**  
For the financial period from 1 January 2024 to 30 June 2024

**CONSOLIDATED STATEMENT OF CASH FLOWS**

	6 months ended	
	30-06-2024	30-06-2023
	\$'000	\$'000
<b>OPERATING ACTIVITIES</b>		
Profit before income tax	20,819	15,543
Adjustments for:		
- Loss allowance/(reversal of allowance) on third party trade receivables and contract assets	819	(370)
- Allowance made for inventory obsolescence	720	1,990
- Third party trade receivables written off	48	42
- Fair value change in financial asset, at FVPL	(59)	(59)
- Fair value change in derivative financial instruments	(13)	10
- Depreciation of property, plant and equipment	457	623
- Gain on disposal of property, plant and equipment	(337)	(1)
- Amortisation of club memberships	5	5
- Depreciation of right-of-use assets	508	534
- Interest expense	571	461
- Interest income	(1,483)	(1,302)
- Inventories written off	76	8
- Third party trade and other payables written off	(254)	-
- Unrealised foreign exchange (gain)/loss	(118)	14
Operating cash flows before working capital changes	21,759	17,498
Working capital changes:		
- Inventories	12,094	5,748
- Trade and other receivables, and contract assets	(13,734)	(2,823)
- Prepayments	281	142
- Trade and other payables, and contract liabilities	(24,912)	(493)
Cash (absorbed by)/generated from operations	(4,512)	20,072
Interest received	1,483	1,302
Income tax paid	(2,769)	(4,828)
Net cash (used in)/generated from operating activities	(5,798)	16,546

**Multi-Chem Limited**

Registration No. 198500318Z

**Unaudited Condensed Interim Financial Statements and Dividend Announcement***For the financial period from 1 January 2024 to 30 June 2024***CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)**

	6 months ended	
	30-06-2024	30-06-2023
	\$'000	\$'000
<b>INVESTING ACTIVITIES</b>		
Proceeds from disposal of property, plant and equipment	498	4
Purchase of property, plant and equipment	(393)	(169)
Net cash generated from/(used in) investing activities	105	(165)
<b>FINANCING ACTIVITIES</b>		
Proceeds from bank borrowings	-	929
Repayments of bank borrowings	(790)	(477)
Repayments of lease liabilities	(489)	(542)
Interest paid	(571)	(461)
Dividends paid to owners of the parent	(13,965)	(10,001)
Net cash used in financing activities	(15,815)	(10,552)
Net change in cash and cash equivalents	(21,508)	5,829
Cash and cash equivalents at beginning of financial period	72,999	69,493
Effects of exchange rate changes on cash and cash equivalents	886	309
<b>Cash and cash equivalents at end of financial period (Note 1)</b>	<b>52,377</b>	<b>75,631</b>

**Note 1***Cash and cash equivalents at end of financial period comprise of:*

Cash and cash equivalents as per Statement of Financial Position	52,423	75,679
Less: Fixed deposits pledged with banks	(46)	(48)
	<b>52,377</b>	<b>75,631</b>

**Unaudited Condensed Interim Financial Statements and Dividend Announcement**  
*For the financial period from 1 January 2024 to 30 June 2024*

**STATEMENTS OF CHANGES IN EQUITY**

Group	Share capital \$'000	Foreign currency translation account \$'000	Premium on acquisition of non-controlling interests \$'000	Fair value reserve \$'000	Statutory reserve \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 1 January 2024	37,288	(3,589)	(1,043)	(432)	330	111,650	144,204
<b>Profit for the financial period</b>	-	-	-	-	-	16,420	16,420
<b>Other comprehensive income for the financial period</b>							
Foreign currency differences on translation of foreign operations	-	2,461	-	-	-	-	2,461
Fair value change in financial asset, at FVOCI	-	-	-	(6)	-	-	(6)
<b>Total comprehensive income for the financial period</b>	-	2,461	-	(6)	-	16,420	18,875
<b>Distributions to the owners of the Company</b>							
Dividends	-	-	-	-	-	(13,965)	(13,965)
<b>Total transactions with the owners of the Company</b>	-	-	-	-	-	(13,965)	(13,965)
<b>Balance at 30 June 2024</b>	<b>37,288</b>	<b>(1,128)</b>	<b>(1,043)</b>	<b>(438)</b>	<b>330</b>	<b>114,105</b>	<b>149,114</b>
			-				
Balance at 1 January 2023	37,288	(1,644)	(1,043)	(264)	330	102,429	137,096
<b>Profit for the financial period</b>	-	-	-	-	-	11,412	11,412
<b>Other comprehensive income for the financial period</b>							
Foreign currency differences on translation of foreign operations	-	349	-	-	-	-	349
Fair value change in financial asset, at FVOCI	-	-	-	(148)	-	-	(148)
<b>Total comprehensive income for the financial period</b>	-	349	-	(148)	-	11,412	11,613
<b>Distributions to the owners of the Company</b>							
Dividends	-	-	-	-	-	(10,001)	(10,001)
<b>Total transactions with the owners of the Company</b>	-	-	-	-	-	(10,001)	(10,001)
<b>Balance at 30 June 2023</b>	<b>37,288</b>	<b>(1,295)</b>	<b>(1,043)</b>	<b>(412)</b>	<b>330</b>	<b>103,840</b>	<b>138,708</b>

**Unaudited Condensed Interim Financial Statements and Dividend Announcement**  
For the financial period from 1 January 2024 to 30 June 2024

**STATEMENTS OF CHANGES IN EQUITY (Continued)**

Company	Share capital \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 1 January 2024	37,288	14,906	52,194
<b>Profit for the financial period</b>	-	24,378	24,378
<b>Total comprehensive income for the financial period</b>	-	24,378	24,378
<b>Transaction with the owners</b>			
Dividends	-	(13,965)	(13,965)
<b>Total transactions with the owners</b>	-	(13,965)	(13,965)
<b>Balance at 30 June 2024</b>	<b>37,288</b>	<b>25,319</b>	<b>62,607</b>
Balance at 1 January 2023	37,288	14,296	51,584
<b>Profit for the financial period</b>	-	22,469	22,469
<b>Total comprehensive income for the financial period</b>	-	22,469	22,469
<b>Transactions with the owners</b>			
Dividends	-	(10,001)	(10,001)
<b>Total transactions with the owners</b>	-	(10,001)	(10,001)
<b>Balance at 30 June 2023</b>	<b>37,288</b>	<b>26,764</b>	<b>64,052</b>



## Multi-Chem Limited

Registration No. 198500318Z

### Unaudited Condensed Interim Financial Statements and Dividend Announcement

For the financial period from 1 January 2024 to 30 June 2024

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#### **NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

##### **1. General corporate information**

Multi-Chem Limited is a public limited company, incorporated and domiciled in Singapore with its registered office and principal place of business at 18 Boon Lay Way, #05-113, Tradehub 21, Singapore 609966. The Company's registration number is 198500318Z. The Company is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST").

The Group's ultimate controlling parties are Mr Foo Suan Sai and Mdm Han Juat Hoon.

The principal activities of the Company are those of investment holding and provision of value-added printed circuit board ("PCB") related services, to PCB fabricators and the distribution of other PCB related products and equipment to PCB fabricators.

The principal activities of the subsidiaries are distribution of hardware and software relating to internet and network products, and provision of maintenance services for such products.

##### **2. Basis of Preparation**

The condensed interim financial statements for the six months ended 30 June 2024 have been prepared in accordance with 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 performance of the Group since the last annual financial statements for the year ended 31 December 2023.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore dollar which is the Company's functional currency.

##### **2.1. New and amended standards adopted by the Group**

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

##### **2.2. Use of judgements and estimates**

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2023.

Estimates and underlying 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.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are included in the following notes:

- Note 9 – Allowance for inventory obsolescence
- Note 10 – Loss allowance for impairment of trade receivables
- Note 11 – Provision for post-sales technical support

## Multi-Chem Limited

Registration No. 198500318Z

### Unaudited Condensed Interim Financial Statements and Dividend Announcement

For the financial period from 1 January 2024 to 30 June 2024

#### 3. Seasonal operations

The Group's businesses were not affected significantly by seasonal or cyclical factors during the financial period.

#### 4. Segment and revenue information

Management has determined the operating segments based on the reports reviewed by the chief operating decision maker.

Management considers the business from both a geographic and business segment perspective. Geographically, management manages and monitors the business in these primary geographic areas: Singapore, Australia, India, Vietnam and other countries. These locations are engaged in the distribution of IT products and/or PCB products.

The Group has two reportable segments being IT business and PCB business.

#### 4.1. Reportable segments

	Singapore		Australia	India	Vietnam	Others	Elimination and adjustments	Total
1 January 2024 to 30 June 2024	IT business \$'000	PCB business \$'000	IT business \$'000	IT business \$'000	IT business \$'000	IT business \$'000	\$'000	\$'000
<b>Revenue</b>								
- External sales	202,020	790	20,748	36,553	9,114	73,308	-	342,533
- Inter-segment sales	-	-	-	-	-	-	-	-
Total revenue	202,020	790	20,748	36,553	9,114	73,308	-	342,533

	IT business \$'000	PCB business \$'000	Elimination and adjustments \$'000	Total \$'000
<b>Segment results</b>				
Interest income	1,091	392	-	1,483
Interest expense	(568)	(3)	-	(571)
Depreciation of property, plant and equipment	(326)	(131)	-	(457)
<i>Other non-cash items:</i>				
- Gain on disposal of property, plant and equipment	54	283	-	337
- Amortisation of club memberships	(5)	-	-	(5)
- Depreciation of right-of-use assets	(481)	(27)	-	(508)
- Third party trade receivables written off	(48)	-	-	(48)
- Inventories written off	(76)	-	-	(76)
- Unrealised foreign exchange (loss)/gain	(765)	883	-	118
- Allowance made for inventory obsolescence	(720)	-	-	(720)
- Loss allowance on third party trade receivables and contract assets	(819)	-	-	(819)
- Fair value change in financial asset, at FVPL	-	59	-	59
- Fair value change in derivative financial instruments	13	-	-	13
Segment profit before income tax	17,599	3,220	-	20,819

**Unaudited Condensed Interim Financial Statements and Dividend Announcement**  
For the financial period from 1 January 2024 to 30 June 2024

**4.1. Reportable segments (Continued)**

	Singapore		Australia	India	Vietnam	Others	Unallocated	Total
	IT business \$'000	PCB business \$'000	IT business \$'000	IT business \$'000	IT business \$'000	IT business \$'000		
<b>1 January 2024 to 30 June 2024</b>								
<b>Capital expenditure</b>								
Property, plant and equipment	325	-	3	4	-	61	-	393
<b>30 June 2024</b>								
<b>Assets and liabilities</b>								
Segment assets	206,447	32,399	25,915	26,113	4,347	60,888	10,862	366,971
Segment liabilities	138,492	4,697	20,886	16,934	1,415	28,313	7,120	217,857

	Singapore		Australia	India	Vietnam	Others	Elimination and adjustments	Total
	IT business \$'000	PCB business \$'000	IT business \$'000	IT business \$'000	IT business \$'000	IT business \$'000		
<b>1 January 2023 to 30 June 2023</b>								
<b>Revenue</b>								
- External sales	167,629	888	25,310	22,942	5,015	91,363	-	313,147
- Inter-segment sales	1	-	-	-	-	-	(1)	-
Total revenue	167,630	888	25,310	22,942	5,015	91,363	(1)	313,147

	IT business \$'000	PCB business \$'000	Elimination and adjustments \$'000	Total \$'000		
					<b>Segment results</b>	
Interest income			1,072	230	-	1,302
Interest expense			(460)	(1)	-	(461)
Depreciation of property, plant and equipment			(455)	(168)	-	(623)
<i>Other non-cash items:</i>						
- Gain on disposal of property, plant and equipment			1	-	-	1
- Amortisation of club memberships			(5)	-	-	(5)
- Depreciation of right-of-use assets			(510)	(24)	-	(534)
- Third party trade receivables written off			(42)	-	-	(42)
- Inventories written off			(8)	-	-	(8)
- Unrealised foreign exchange (loss)/gain			(510)	496	-	(14)
- Allowance made for inventory obsolescence			(1,990)	-	-	(1,990)
- Reversal of allowance/(loss allowance) on third party trade receivables			373	(3)	-	370
- Fair value change in financial asset, at FVPL			-	59	-	59
- Fair value change in derivative financial instruments			(10)	-	-	(10)
Segment profit before income tax			13,985	1,558	-	15,543

**Unaudited Condensed Interim Financial Statements and Dividend Announcement**  
For the financial period from 1 January 2024 to 30 June 2024

**4.1. Reportable segments (Continued)**

	Singapore		Australia	India	Vietnam	Others	Unallocated	Total
	business	PCB business	business	business	business	business		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>1 January 2023 to 30 June 2023</b>								
<b>Capital expenditure</b>								
Property, plant and equipment	49	-	-	18	-	102	-	169
<b>31 December 2023</b>								
<b>Assets and liabilities</b>								
Segment assets	211,120	36,833	20,385	19,361	4,494	76,791	12,624	381,608
Segment liabilities	150,744	7,521	14,934	15,592	2,749	38,564	7,300	237,404

**Geographical segments**

The Group's two business segments operate in four main geographical areas. Revenue is based on the country in which the customer is located.

	Singapore		Australia		India		Vietnam		Others		Total	
	6 months ended		6 months ended		6 months ended		6 months ended		6 months ended		6 months ended	
	30-06-2024	30-06-2023	30-06-2024	30-06-2023	30-06-2024	30-06-2023	30-06-2024	30-06-2023	30-06-2024	30-06-2023	30-06-2024	30-06-2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue from external customers	163,016	140,187	20,725	25,986	33,267	22,920	42,322	26,189	83,203	97,865	342,533	313,147

	Singapore		Australia		India		Vietnam		Others		Total	
	as at		as at		as at		as at		as at		as at	
	30-06-2024	31-12-2023	30-06-2024	31-12-2023	30-06-2024	31-12-2023	30-06-2024	31-12-2023	30-06-2024	31-12-2023	30-06-2024	31-12-2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Non-current assets	6,393	6,623	2,617	2,632	1,042	1,089	308	217	1,548	1,389	11,908	11,950

**Unaudited Condensed Interim Financial Statements and Dividend Announcement**  
For the financial period from 1 January 2024 to 30 June 2024

**4.2. Disaggregation of Revenue**

	At point in time		Group		Total	
	6 months ended		Over time		6 months ended	
	30-06-2024	30-06-2023	30-06-2024	30-06-2023	30-06-2024	30-06-2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>IT business</b>						
- Distribution of IT products	334,348	305,607	-	-	334,348	305,607
- In-house maintenance services	-	-	4,710	4,482	4,710	4,482
- Professional services	2,507	2,043	-	-	2,507	2,043
- Training services	121	120	-	-	121	120
<b>PCB business</b>						
- PCB services	380	448	-	-	380	448
- Distribution of PCB related products	259	206	-	-	259	206
	<u>337,615</u>	<u>308,424</u>	<u>4,710</u>	<u>4,482</u>	<u>342,325</u>	<u>312,906</u>
<b>Rental</b>						
- IT					57	7
- PCB					151	234
					<u>342,533</u>	<u>313,147</u>

**Unaudited Condensed Interim Financial Statements and Dividend Announcement**  
*For the financial period from 1 January 2024 to 30 June 2024*

**5. Profit before taxation**

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

Group	6 months ended		
	30-06-2024 \$'000	30-06-2023 \$'000	Change %
Other gains	360	812	(56)
Interest income	1,483	1,302	14
Interest expense	(571)	(461)	24
Amortisation of club memberships	(5)	(5)	-
Depreciation of property, plant and equipment	(457)	(623)	(27)
Depreciation of right-of-use assets	(508)	(534)	(5)
(Loss allowance)/reversal of allowance on third party trade receivables and contract assets	(819)	370	(321)
Third party trade receivables written off	(48)	(42)	14
Allowance made for inventory obsolescence	(720)	(1,990)	(64)
Inventories written off	(76)	(8)	850
Foreign exchange (loss)/gain, net	(19)	308	(106)
Gain on disposal of property, plant and equipment	337	1	33,600
Third party trade and other payables written off	254	-	100
Fair value change in financial asset, at FVPL	59	59	-
Fair value change in derivative financial instrument	13	(10)	(230)

## Multi-Chem Limited

Registration No. 198500318Z

### Unaudited Condensed Interim Financial Statements and Dividend Announcement

For the financial period from 1 January 2024 to 30 June 2024

6. 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>	6 months ended	
	30-06-2024	30-06-2023
Earnings per share attributable to owners of the parent during the financial period (expressed in cents per share)		
(i) Based on weighted average number of shares	18.23 cents	12.67 cents
- Weighted average number of shares ('000)	90,095	90,095
(ii) On fully diluted basis	18.23 cents	12.67 cents
- Adjusted weighted average number of shares ('000)	90,095	90,095

7. 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	
	30-06-2024	31-12-2023	30-06-2024	31-12-2023
Net asset value per share based on existing issued share capital as at the respective period	165.51 cents	160.06 cents	69.49 cents	57.93 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 ordinary shares.

8. Issues, repurchases and repayment of debt and equity securities.

Not applicable.

9. Inventories

During the six months ended 30 June 2024, the Group carried out a review of the realisable values of its inventories and the review led to the recognition of an allowance for inventory obsolescence and inventories written off of \$720,000 and \$76,000 (30 June 2023: \$1,990,000 and \$8,000) respectively that have been included in "cost of sales" line item in profit or loss.

**Multi-Chem Limited**

Registration No. 198500318Z

**Unaudited Condensed Interim Financial Statements and Dividend Announcement**

For the financial period from 1 January 2024 to 30 June 2024

**10. Trade and other receivables**

	<b>Group</b>	
	<b>30-06-2024</b>	<b>31-12-2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Non-current assets</b>		
Trade receivables		
- third parties	25,858	17,533
Loss allowance on third party trade receivables	(661)	-
	<u>25,197</u>	<u>17,533</u>
<b>Current assets</b>		
Trade receivables		
- third parties	174,299	165,164
Loss allowance on third party trade receivables	(4,857)	(4,646)
	<u>169,442</u>	<u>160,518</u>
Non-trade receivables		
- third parties	9,763	8,116
	<u>179,205</u>	<u>168,634</u>
Deposits	455	539
Value added tax	3,639	2,976
	<u>183,299</u>	<u>172,149</u>
Total current trade and other receivables	<u>183,299</u>	<u>172,149</u>
Total trade and other receivables	<u>208,496</u>	<u>189,682</u>

Non-current trade receivables due from third parties are unsecured, non-interest bearing and expected to be settled within 2 to 4 years (2023: 2 to 5 years).

Current trade receivables due from third parties are unsecured, non-interest bearing and generally on 30 to 120 (2023: 30 to 120) days credit terms.

The fair value of non-current trade receivables are computed based on cash flows discounted at market borrowing rates. The fair value approximate its carrying amounts.

The aging analysis of trade receivables is as follows:

	<b>Group</b>	
	<b>30-06-2024</b>	<b>31-12-2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Current	162,428	144,828
Past due 0 to 1 month	19,111	19,572
Past due 1 to 2 months	5,951	6,130
Past due 2 to 5 months	9,493	9,091
Past due over 5 months	3,174	3,076
Total	<u>200,157</u>	<u>182,697</u>

Trade receivables are present in:

Non-current assets	25,858	17,533
Current assets	174,299	165,164
	<u>200,157</u>	<u>182,697</u>



**Unaudited Condensed Interim Financial Statements and Dividend Announcement**  
*For the financial period from 1 January 2024 to 30 June 2024*

**10. Trade and other receivables (Continued)**

Management applied the “simplified approach” for assessing expected credit losses for trade receivables from third parties. Under the simplified approach, the Group’s management developed a provision matrix using historical credit loss rates adjusted with forward looking information to reflect the effects of the current and future economic conditions in each geographical region and credit rating in each geographical region.

Movements in loss allowance on third party trade receivables were as follows:

	<b>Group</b>	
	<b>30-06-2024</b>	<b>31-12-2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Balance at beginning of financial period/year	4,646	5,160
Loss allowance made during the financial period/year		
- made for lifetime expected credit loss, not credit impaired	504	1,078
- made for/(reversed) lifetime expected credit loss, credit impaired	317	(722)
Receivable written off as uncollectible	(32)	(800)
Currency translation adjustment	83	(70)
Balance at end of financial period/year	<u>5,518</u>	<u>4,646</u>

As at 30 June 2024, trade receivables of \$1,115,000 (31 December 2023: \$817,000) had been fully impaired. These receivables were due from customers located in various geographical areas and the debts were past due more than 5 months. Therefore, there was significant uncertainty over the recoverability of the debts.

The allowance on third party trade receivables by jurisdiction were as below:

	<b>Group</b>	
	<b>30-06-2024</b>	<b>31-12-2023</b>
	<b>\$'000</b>	<b>\$'000</b>
IT business		
- Australia	801	730
- Singapore	1,373	1,135
- India	2,546	1,407
- Vietnam	166	581
- Rest of Southeast Asia	548	688
- Others	82	100
	<u>5,516</u>	<u>4,641</u>
PCB business		
- Singapore	2	5
Total	<u>5,518</u>	<u>4,646</u>

## Multi-Chem Limited

Registration No. 198500318Z

### Unaudited Condensed Interim Financial Statements and Dividend Announcement

For the financial period from 1 January 2024 to 30 June 2024

#### 11. Provision for post-sales technical support

Provisions are recognised when the Group has a constructive obligation as a result of a past event, it is probable that the Group will be required to settle the obligation, a reliable estimate can be made of the amount of the obligation.

Movements in provision for post-sales technical support were as follows:

	Group	
	30-06-2024	31-12-2023
	\$'000	\$'000
Balance at beginning of financial period/year	25,107	18,336
Provisions made	16,425	35,733
Provisions utilised	(11,459)	(26,807)
Provisions written off	(1,504)	(1,536)
Currency translation adjustment	563	(619)
Balance at end of financial period/year	29,132	25,107

The provision for post-sales technical support claims represents management's best estimate of the present value of the future economic outflows that will be required for the IT products sold. Provision for post-sales technical support is based on the volumes of IT products sold along with the utilisation trend for the past three financial years to establish an estimate of the costs to resolve various potential post-sales technical support requests from customers. Changes in the utilisation rate could consequently impact the Group's results and financial position.

#### 12. Borrowings

##### Amount repayable in one year or less, or on demand

As at 30 Jun 2024		As at 31 Dec 2023	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
-	-	-	786

##### Amount repayable after one year

As at 30 Jun 2024		As at 31 Dec 2023	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
-	-	-	-

##### Additional information and details of any collateral

Not applicable.

**Unaudited Condensed Interim Financial Statements and Dividend Announcement**  
*For the financial period from 1 January 2024 to 30 June 2024*

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**13. Share Capital**

	Issued shares '000	Share capital \$'000	Total share capital \$'000
Balance at 1 Jan 2024 and 30 Jun 2024	<b>90,095</b>	<b>37,288</b>	<b>37,288</b>
Balance at 1 Jan 2023 and 30 Jun 2023	<b>90,095</b>	<b>37,288</b>	<b>37,288</b>

The Company did not hold any treasury shares as at 30 June 2024.

The Company's subsidiaries do not hold any shares in the Company as at 30 June 2024 and 30 June 2023.

**14. 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.

## Multi-Chem Limited

Registration No. 198500318Z

### Unaudited Condensed Interim Financial Statements and Dividend Announcement

For the financial period from 1 January 2024 to 30 June 2024

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#### **OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2**

1. 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.

#### **1.1 REVENUE**

For the six months ended 30 June 2024 ("1H2024"), the Group achieved revenue of \$342.5m, a year-on-year increase of 9.4% or \$29.4m, compared to revenue of \$313.1m achieved for the six months ended 30 June 2023 ("1H2023").

For 1H2024, the IT Division accounted for 99.8% of the Group's revenue, while the PCB Division accounted for the remaining 0.2% of the Group's revenue.

##### **IT Division**

The IT Distribution business achieved revenue of \$341.7m in 1H2024, an increase of 9.4% or \$29.5m, from \$312.2m in 1H2023.

The increase in revenue for 1H2024 was mainly due to the increase in customer demands and some significant transactions closed during 1H2024.

##### **PCB Division**

Revenue in this Division decreased by 11.0% or \$98,000, from \$888,000 in 1H2023 to \$790,000 in 1H2024. The decrease in revenue was mainly due to lower customer demands and disposal of 5 mechanical drilling machines in Singapore during 1H2024.

## Multi-Chem Limited

Registration No. 198500318Z

### Unaudited Condensed Interim Financial Statements and Dividend Announcement

For the financial period from 1 January 2024 to 30 June 2024

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#### 1.2 PROFIT BEFORE TAX (“PBT”)

The Group registered a PBT of \$20.8m in 1H2024, as compared to \$15.5m in 1H2023.

The increase in PBT was mainly due to the following: -

- (1) An increase in gross profit of \$7.0m mainly due to the increase in revenue, increase in gross profit margin and decrease in allowance for inventory obsolescence of \$1.3m from \$2.0m in 1H2023 to \$720,000 in 1H2024 based on the review of inventory obsolescence performed in 1H2024;
- (2) An increase in gain on disposal of plant and equipment of \$336,000 from \$1,000 in 1H2023 to \$337,000 in 1H2024;
- (3) An increase in third party trade and other payables written off of \$254,000 from \$Nil in 1H2023 to \$254,000 in 1H2024; and
- (4) An increase in interest income of \$181,000 from \$1.3m in 1H2023 to \$1.5m in 1H2024, mainly due to the increase in interest received from fixed deposits placed with the financial institutions in 1H2024.

The increase in PBT was however pared by the following:

- (1) A loss allowance on third party trade receivables and contract assets of \$819,000 recognised in 1H2024, as compared to reversal of allowance on third party trade receivables of \$370,000 recognised in 1H2023, based on the impairment review performed in 1H2024 in accordance to SFRS(I) 9;
- (2) An increase in profit sharing by \$1.1m in 1H2024 as compared to 1H2023 mainly due to the increase in revenue and PBT;
- (3) A decrease in other gains of \$452,000 from \$812,000 in 1H2023 to \$360,000 in 1H2024, mainly due to lower China government financial subsidies received in 1H2024; and
- (4) Net foreign exchange loss of \$19,000 in 1H2024, as compared to net foreign exchange gain of \$308,000 in 1H2023 mainly due to appreciation of United States dollar against Singapore dollar and local currencies in 1H2024. Excluding net foreign exchange differences, the Group reported a PBT of \$20.8m in 1H2024, compared to a PBT of \$15.2m in 1H2023.

#### 1.3 PROFIT AFTER TAX (“PAT”)

In 1H2024, the Group achieved PAT of \$16.4m as compared to \$11.4m in 1H2023, mainly due to the increase in PBT offset by the increase in income tax expense. The increase in income tax expense of \$268,000 from \$4.1m in 1H2023 to \$4.4m in 1H2024 was mainly due to the increase in profit before tax in 1H2024.

Income tax expense comprised mainly current income tax, deferred tax and withholding tax expenses of the Group.

**Unaudited Condensed Interim Financial Statements and Dividend Announcement***For the financial period from 1 January 2024 to 30 June 2024*

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**1.4 STATEMENTS OF FINANCIAL POSITION REVIEW**

Presented below is a review of material changes in the key statements of financial position items as at 30 June 2024 compared to 31 December 2023.

**Property, plant and equipment** decreased by \$161,000 at the Group level mainly due to depreciation charge and disposal of plant and equipment, net of purchases of plant and equipment in 1H2024. At the Company level, property, plant and equipment decreased by \$262,000 due to depreciation charge and disposal of plant and equipment in 1H2024.

**Right-of-use assets** increased by \$337,000 at the Group level mainly due to new long-term leases capitalised, net of depreciation charge in 1H2024. At Company level, right-of-use assets decreased by \$27,000 due to depreciation charge in 1H2024.

**Deferred tax assets** increased by \$602,000 at the Group level mainly due to increased deductible temporary difference in 1H2024 which the related tax benefits could be realised through future taxable profits. There was no deferred tax assets at Company level.

**Financial asset, at FVPL** refers to financial asset at fair value through profit or loss. The Group and the Company classifies the investment in life insurance plan as financial assets at fair value through profit or loss and this increased by \$199,000 at both the Group and the Company level due to currency revaluation gain and fair value gain in 1H2024.

**Cash and cash equivalents** at the Group level decreased by \$20.6m from \$73.0m to \$52.4m. The decrease was mainly due to increase in working capital requirement owing to the higher business volume and dividends paid to shareholders. At the Company level, cash and cash equivalents decreased by \$4.1m from \$27.6m to \$23.5m mainly due to dividends paid to shareholders and advances to a subsidiary, offset by dividends received from a subsidiary.

**Trade and other receivables** of the Group increased by \$18.8m from \$189.7m to \$208.5m, mainly due to higher revenue attained in 1H2024. At the Company level, trade and other receivables increased by \$11.9m from \$23.5m to \$35.4m mainly due to advances and expenses recharged to a subsidiary.

**Inventories** at the Group level decreased by \$11.0m from \$86.8m to \$75.8m mainly due to decrease in IT inventories. At the Company level, inventories decreased by \$47,000 from \$335,000 to \$288,000.

**Prepayments** at the Group level decreased by \$268,000 from \$2.6m to \$2.3m mainly due to realisation of prepayments as expenses in 1H2024. Prepayments at Company level decreased by \$17,000 from \$170,000 to \$153,000.

**Current income tax recoverable** decreased by \$2.4m from \$6.7m to \$4.3m at the Group level mainly due to tax refund received in 1H2024. There was no current income tax recoverable at the Company level.

## Multi-Chem Limited

Registration No. 198500318Z

### Unaudited Condensed Interim Financial Statements and Dividend Announcement

*For the financial period from 1 January 2024 to 30 June 2024*

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#### 1.4 STATEMENTS OF FINANCIAL POSITION REVIEW (Continued)

**Trade and other payables** decreased by \$9.6m from \$191.8m to \$182.2m at the Group level mainly due to payments made to suppliers in 1H2024. At the Company level, trade and other payables decreased by \$2.8m from \$7.4m to \$4.6m mainly due to accrued operating expenses paid in 1H2024.

**Contract liabilities** decreased by \$9.3m from \$35.0m to \$25.7m at the Group level mainly due to decrease in advance billings and deferred revenue, net of increase in rebate to customers.

**Lease liabilities** increased by \$323,000 from \$1.9m to \$2.2m at the Group level mainly due to new long-term leases capitalised, net of repayments made in 1H2024. At the Company level, lease liabilities decreased by \$21,000 from \$147,000 to \$126,000.

**Bank borrowings** decreased by \$786,000 from \$786,000 to \$Nil at Group level due to repayments of bank borrowings in 1H2024. There was no bank borrowings at Company level.

**Foreign currency translation account** decreased by \$2.5m from \$3.6m to \$1.1m at the Group level mainly due to appreciation of United States dollar against Singapore dollar.

## Multi-Chem Limited

Registration No. 198500318Z

### Unaudited Condensed Interim Financial Statements and Dividend Announcement

*For the financial period from 1 January 2024 to 30 June 2024*

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#### 1.5 CASH FLOW ANALYSIS

Net cash of \$5.8m was used in operating activities in 1H2024, as compared to net cash of \$16.5m generated in 1H2023. This was mainly due to increase in trade and other receivables and payments made to suppliers, net of higher profit before income tax attained and decrease in inventories.

Net cash of \$105,000 was generated from investing activities in 1H2024, as compared to \$165,000 used in investing activities in 1H2023. The change was mainly due to proceeds from disposal of plant and equipment of \$498,000 net of purchase of plant and equipment of \$393,000 in 1H2024, as compared to purchase of plant and equipment of \$169,000 in 1H2023.

Net cash of \$15.8m was used in financing activities in 1H2024, as compared to net cash of \$10.6m used in 1H2023. This was mainly due to dividends paid of \$14.0m, repayment of bank borrowings of \$790,000, repayment of lease liabilities of \$489,000 and payment of interest of \$571,000 in 1H2024, as compared to dividends paid of \$10.0m, repayment of bank borrowings of \$477,000, repayment of lease liabilities of \$542,000 and payment of interest of \$461,000, net of proceeds from bank borrowings of \$929,000 in 1H2023.

Cash and cash equivalents stood at \$52.4m as at 30 June 2024, down from \$75.6m as at 30 June 2023.



## Multi-Chem Limited

Registration No. 198500318Z

### Unaudited Condensed Interim Financial Statements and Dividend Announcement

*For the financial period from 1 January 2024 to 30 June 2024*

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**2. 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.**

#### **IT**

The IT business through Singapore and the regional offices achieved a year-on-year revenue growth of 9.4% in 1H2024 over the corresponding period in year 2023. The increase in revenue was mainly due to the increase in customer demands. With the current inflation, interest rates movements and geo-political conflicts, the Group is monitoring the impact on the global economy and will continue to be vigilant during this challenging time.

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 Check Point, Cisco, CyberArk, Imperva, Trellix (formerly McAfee), Tufin, Proofpoint, RSA, Solarwinds, Symantec (a division of Broadcom) and Trend Micro.

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 Check Point course. 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 2024, the Group's IT business had a presence in 26 cities in 13 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.

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 current inflation, interest rates movements and geo-political conflicts, the global economic outlook remains uncertain which in turn will affect the Group's business. 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's business.

For growth, the Group will focus on its best-of-breed products and will continue to look out for opportunities for regional expansion to deepen our regional operations. 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.

#### **PCB**

Revenue in PCB division dropped by 11.0% in 1H2024 over the corresponding period in year 2023. The decrease in revenue was mainly due to lower customer demands and disposal of 5 mechanical drilling machines in Singapore during 1H2024.

As at 30 June 2024, the Group had 2 mechanical drilling machines in Singapore.

## Multi-Chem Limited

Registration No. 198500318Z

### Unaudited Condensed Interim Financial Statements and Dividend Announcement

*For the financial period from 1 January 2024 to 30 June 2024*

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#### 3. Risk Factors

The Group's primary business risk is in its IT business. In the area of IT business, the Group is subject 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. To mitigate such risk, the Group has taken steps to align with the leading names in the IT arena. The Group monitors its inventories on a quarterly basis and will make allowances where necessary.

The Group is also exposed to foreign exchange risks as we transact with our suppliers, vendors and customers in Singapore dollar, United States dollar, Chinese renminbi, Australian dollar, Thailand baht, Malaysian ringgit, Indian rupee, Indonesian rupiah, Taiwan dollar, Hong Kong dollar, Philippines peso, and to a lesser extent, Korean won, Japanese yen, Vietnam dong, New Zealand dollar, and Sri Lankan rupee. The Group may, from time to time, enter into borrowing and foreign currency arrangements to reduce its foreign currency exposure. With any volatility in the United States dollar, the Group expects to be exposed to a higher foreign exchange risk against some of the local currencies we collect from the customers.

The Group is also exposed to the political, legal and economic climates of the country in which the Group is operating. Economic and political conditions are still key factors in determining the level of IT spending.

#### 4. 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 1H2024 were largely in line with the prospect commentary disclosed to the shareholders on 23 February 2024.

#### 5. 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 2023. In addition, the Group also adopted various revisions to Singapore Financial Reporting Standards (International) ("SFRS(I)"), which became effective during the period. The said adoption has no significant impact to the financial statements of the Group.

#### 6. 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.

#### 7. 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.

## Multi-Chem Limited

Registration No. 198500318Z

### Unaudited Condensed Interim Financial Statements and Dividend Announcement

For the financial period from 1 January 2024 to 30 June 2024

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

Not applicable.

- 8A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-

- (a) Updates on the efforts taken to resolve each outstanding audit issue.  
(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty relating to going concern.

Under a law firm's independent inquiry regarding the matters raised in the qualified opinion. If and when there are any material developments which warrant a disclosure, the Board will make a further announcement on the SGX-ST.

#### 9. Dividends

- (a) Current Financial Period Reported On

Name of Dividend	2024 Interim Ordinary Tax Exempt – 1-Tier	2024 Total
Dividend Type	Cash	Cash
Dividend Amount (Cents Per Share)	11.10	11.10

- (b) Dividend for financial period ended 30 June 2023

Name of Dividend	2023 Interim Ordinary Tax Exempt – 1-Tier	2023 Total
Dividend Type	Cash	Cash
Dividend Amount (Cents Per Share)	8.80	8.80

- (c) Book closure date and dividend payment date

The interim tax exempt 1-Tier dividend of 11.10 cents per ordinary share will be paid on 13 September 2024. The record (entitlement) date and time will be on 2 September 2024 at 5:00 p.m. and the book closure date will be on 3 September 2024.

## Multi-Chem Limited

Registration No. 198500318Z

### Unaudited Condensed Interim Financial Statements and Dividend Announcement

*For the financial period from 1 January 2024 to 30 June 2024*

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- 10. 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.

- 11. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).**

The Company confirmed that it has procured undertakings from all its directors and executive officer under Rule 720(1) of the Listing Manual.

#### **BY ORDER OF THE BOARD**

Foo Suan Sai  
Chief Executive Officer  
7 August 2024

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#### **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 first half year ended 30 June 2024 to be false or misleading in any material aspects.

On behalf of the Board of Directors

Foo Suan Sai  
Chief Executive Officer  
Singapore, 7 August 2024

Han Juat Hoon  
Chief Operating Officer  
Singapore, 7 August 2024