



MULTI-CHEM LIMITED

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

UPDATE RELATING TO THE UTILISATION OF AN AMOUNT FOR MARKETING AND PROMOTIONAL EXPENSES

The Board of Directors (the “**Board**”) of Multi-Chem Limited (the “**Company**”) and together with its subsidiaries the “**Group**”) wishes to announce that the Company is currently in discussions with its statutory auditors, which is currently carrying out the statutory audit of the Company, regarding certain clarifications sought by the auditors relating to the utilisation by the Group of an amount of approximately US\$1.6m, in 2023, towards marketing and promotional expenses.

The amount was ostensibly for the purposes of purchasing CapitalLand vouchers for marketing and promotional purposes on behalf of a vendor of the Group. The sum had been paid by the Company into the personal bank accounts of two employees of the Group, who then on-paid this money to one employee of the vendor.

The statutory auditors and the Audit and Risk Management Committee (“**ARC**”) have concerns about the manner in which the amount was paid, and are currently seeking further clarifications and supporting evidence from the Company’s management and the vendor that the amount had been utilised in the manner described. The statutory auditors have indicated that depending on their review, they may wish to undertake a broader review of other matters as well.

The findings may have an impact on the Group’s financial statements for the financial year ended 31 December 2023.

The Group’s management have confirmed to the ARC that any future payments by the Group for marketing and promotional expenses for this vendor will require the prior consent of the ARC.

Depending on the findings and clarifications provided by the Group’s management, the ARC may consider the internal control procedures of the Group, and/or appoint third party professionals to assist the ARC on the aforesaid concerns.

The audit by the statutory auditors is ongoing. If and when there are any material developments which warrant a disclosure, the Board will make a further announcement on the SGX-ST in accordance with the listing rules of the SGX-ST.

In the meantime, shareholders of the Company and potential investors are advised to exercise caution when dealing or trading in the shares of the Company. Shareholders and potential investors should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

By Order of the Board

Han Juat Hoon
Director

25 March 2024