



Multi-Chem Limited

(Incorporated in Singapore. Registration Number: 198500318Z)

Interim Financial Statements and Dividend Announcement

For the financial period from 1 January 2016 to 31 March 2016

Interim Financial Statements and Dividend Announcement
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CONSOLIDATED INCOME STATEMENT

Group	3 months ended		
	31/3/2016 \$'000	31/3/2015 \$'000	Change %
Revenue	92,675	82,027	13
Cost of sales	(78,020)	(69,594)	12
Gross profit	14,655	12,433	18
Other items of income			
- Interest income	70	142	(51)
- Other income	490	1,563	(69)
Other items of expense			
- Selling and distribution costs	(5,443)	(6,374)	(15)
- Administrative expenses	(6,332)	(5,343)	19
- Finance costs	(127)	(162)	(22)
- Share of results of an associate, net of tax	-	(30)	(100)
Profit before income tax	3,313	2,229	49
Income tax expense	(1,126)	(707)	59
Profit for the financial period	2,187	1,522	44
Profit attributable to:			
Owners of the parent	1,928	1,214	59
Non-controlling interests	259	308	(16)
	2,187	1,522	44
Earnings per share for profit attributable to owners of the parent during the financial period (expressed in cents per share)			
Basic	2.14 cents	1.35 cents	
Diluted	2.14 cents	1.35 cents	

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Group	3 months ended		
	31/3/2016	31/3/2015	Change
	\$'000	\$'000	%
Profit for the financial period	2,187	1,522	44
Other comprehensive income for the financial period			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency differences on translation of foreign operations	(3,363)	2,797	(220)
Fair value gain on available-for-sale financial assets	32	33	(3)
Other comprehensive income for the financial period, net of tax	(3,331)	2,830	(218)
Total comprehensive income for the financial period	(1,144)	4,352	(126)
Total comprehensive income attributable to:			
Owners of the parent	(1,084)	3,843	(128)
Non-controlling interests	(60)	509	(112)
	(1,144)	4,352	(126)

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NOTES TO CONSOLIDATED INCOME STATEMENT

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

Group	3 months ended		
	31/3/2016 \$'000	31/3/2015 \$'000	Change %
Other gains	490	324	51
Interest income	70	142	(51)
Interest expense	(127)	(162)	(22)
Amortisation of club memberships	(2)	-	Nm
Depreciation of property, plant and equipment	(560)	(1,577)	(64)
Allowance for doubtful third parties trade receivables	(310)	(282)	10
Allowance for inventory obsolescence	(571)	(981)	(42)
Inventory written off	-	(48)	(100)
Foreign exchange (loss)/gain, net	(708)	1,230	(158)
(Loss)/Gain on disposals of plant and equipment	(13)	9	(244)
Plant and equipment written off	-	(1)	(100)
Fair value change in derivative financial instruments	(251)	-	Nm

Nm : Not meaningful

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STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	31/3/2016	31/12/2015	31/3/2016	31/12/2015
	\$'000	\$'000	\$'000	\$'000
Non-current assets				
Property, plant and equipment	20,127	20,673	3,531	3,719
Investment properties	-	-	2,678	1,684
Investments in subsidiaries	-	-	31,299	31,299
Club memberships	554	572	186	186
Deferred tax assets	2,342	2,386	-	-
Available-for-sale financial assets	3,888	4,047	3,888	4,047
Other receivables	497	705	-	-
Prepayment	699	720	699	720
	28,107	29,103	42,281	41,655
Current assets				
Inventories	21,717	29,486	361	323
Trade and other receivables	79,830	87,012	36,561	31,769
Prepayments	1,363	1,707	208	228
Current income tax recoverable	3,155	3,051	199	199
Derivative financial instruments	-	17	-	-
Cash and cash equivalents	43,701	36,697	3,378	2,361
	149,766	157,970	40,707	34,880
Less:				
Current liabilities				
Trade and other payables	52,552	65,664	1,847	1,749
Finance lease payables	177	191	160	160
Bank borrowings	24,801	19,808	14,292	7,041
Current income tax payable	960	653	-	-
Derivative financial instruments	146	45	61	45
	78,636	86,361	16,360	8,995
Net current assets	71,130	71,609	24,347	25,885
Less:				
Non-current liabilities				
Finance lease payables	119	146	107	146
Bank borrowings	2,349	2,643	2,349	2,643
Provision for post-employee benefits	209	219	-	-
	2,677	3,008	2,456	2,789
	96,560	97,704	64,172	64,751
Equity				
Share capital	37,288	37,288	37,288	37,288
Foreign currency translation reserve	1,626	4,670	-	-
Available-for-sale reserve	230	198	230	198
Other reserves	5,158	5,158	-	-
Retained earnings	45,627	43,699	26,654	27,265
Equity attributable to owners of the parent	89,929	91,013	64,172	64,751
Non-controlling interests	6,631	6,691	-	-
Total equity	96,560	97,704	64,172	64,751

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CONSOLIDATED STATEMENT OF CASH FLOWS

	3 months ended	
	31/3/2016	31/3/2015
	\$'000	\$'000
OPERATING ACTIVITIES		
Profit before income tax	3,313	2,229
Adjustments for:		
- Allowance made for doubtful third parties trade receivables	310	282
- Allowance made for inventory obsolescence	571	981
- Amortisation of club memberships	2	-
- Depreciation of property, plant and equipment	560	1,577
- Fair value change in derivative financial instruments	251	-
- Loss/(Gain) on disposals of plant and equipment	13	(9)
- Interest expense	127	162
- Interest income	(70)	(142)
- Inventory written off	-	48
- Plant and equipment written off	-	1
- Share of results of an associate	-	30
- Unrealised foreign exchange loss/(gain)	300	(1,075)
Operating cash flows before working capital changes	5,377	4,084
Working capital changes:		
- Inventories	6,068	9,348
- Trade and other receivables	218	3,705
- Prepayments	313	(560)
- Trade and other payables	(6,276)	(13,676)
Cash generated from operations	5,700	2,901
Interest received	70	142
Income tax paid	(1,037)	(1,277)
Net cash from operating activities	4,733	1,766

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CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

	3 months ended	
	31/3/2016	31/3/2015
	\$'000	\$'000
INVESTING ACTIVITIES		
Capital return from an associate	-	194
Net cash outflow from disposals of derivative financial instruments	(133)	-
Proceeds from disposals of plant and equipment	49	95
Purchase of plant and equipment	(1,177)	(157)
Net cash (used in)/from investing activities	<u>(1,261)</u>	<u>132</u>
FINANCING ACTIVITIES		
Decrease in fixed deposits pledged	-	7,310
Proceeds from bank borrowings	26,348	20,635
Repayments of bank borrowings	(21,211)	(28,264)
Repayments of finance lease payables	(40)	(33)
Interest paid	(127)	(162)
Net cash from/(used in) financing activities	<u>4,970</u>	<u>(514)</u>
Net change in cash and cash equivalents	8,442	1,384
Cash and cash equivalents at beginning of financial period	35,215	33,718
Effects of exchange rate changes on cash and cash equivalents	(1,450)	713
Cash and cash equivalents at end of financial period (Note 1)	<u><u>42,207</u></u>	<u><u>35,815</u></u>
Note 1		
<i>Cash and cash equivalents at end of financial period comprise of:</i>		
Cash and cash equivalents as per Statement of Financial Position	43,701	38,416
Less: Fixed deposits pledged with banks	(1,494)	(2,601)
	<u><u>42,207</u></u>	<u><u>35,815</u></u>

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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 reserve \$'000	Retained earnings \$'000	Equity attributable to owners of the parent \$'000	Non-controlling interests \$'000	Total equity \$'000
Balance at 1 January 2016	37,288	(123)	198	4,670	5,281	43,699	91,013	6,691	97,704
Profit for the financial period	-	-	-	-	-	1,928	1,928	259	2,187
Other comprehensive income for the financial period									
Foreign currency differences on translation of foreign operations	-	-	-	(3,044)	-	-	(3,044)	(319)	(3,363)
Fair value gain on available-for-sale financial assets	-	-	32	-	-	-	32	-	32
Total comprehensive income for the financial period	-	-	32	(3,044)	-	1,928	(1,084)	(60)	(1,144)
Balance at 31 March 2016	37,288	(123)	230	1,626	5,281	45,627	89,929	6,631	96,560
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 period	-	-	-	-	-	1,214	1,214	308	1,522
Other comprehensive income for the financial period									
Foreign currency differences on translation of foreign operations	-	-	-	2,596	-	-	2,596	201	2,797
Fair value gain on available-for-sale financial assets	-	-	33	-	-	-	33	-	33
Total comprehensive income for the financial period	-	-	33	2,596	-	1,214	3,843	509	4,352
Balance at 31 March 2015	37,288	(123)	89	4,845	4,919	43,351	90,369	5,348	95,717

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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 2016	37,288	27,265	198	64,751
Loss for the financial period	-	(611)	-	(611)
Other comprehensive income for the financial period				
Fair value gain on available-for-sale financial assets	-	-	32	32
Total comprehensive income for the financial period	-	(611)	32	(579)
Balance at 31 March 2016	37,288	26,654	230	64,172
Balance at 1 January 2015	37,288	28,609	56	65,953
Profit for the financial period	-	150	-	150
Other comprehensive income for the financial period				
Fair value gain on available-for-sale financial assets	-	-	33	33
Total comprehensive income for the financial period	-	150	33	183
Balance at 31 March 2015	37,288	28,759	89	66,136

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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 \$92.7m for the three months ended 31 March 2016 ("1Q2016"), an increase of 13.0% or \$10.7m compared to the revenue of \$82.0m for the three months ended 31 March 2015 ("1Q2015").

Comparing 1Q2016 to three months ended 31 December 2015 ("4Q2015"), the Group revenue decreased by 3.4% or \$3.3m, from \$96.0m to \$92.7m mainly due to a traditionally slower first quarter.

For 1Q2016, the IT Division accounted for 92.8% of Group revenue, while the PCB Division accounted for the remaining 7.2% of Group revenue.

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REVENUE

PCB Division

Revenue in this Division increased marginally by 6.3% or \$0.4m, from \$6.3m in 1Q2015 to \$6.7m in 1Q2016.

Comparing 1Q2016 to 4Q2015, revenue in this Division increased by 19.6% or \$1.1m from \$5.6m in 4Q2015 to \$6.7m in 1Q2016 due to the increase in demand from one of our customers in 1Q2016.

IT Division

The IT Distribution business achieved quarterly revenue of \$86.0m in 1Q2016, an increase of 13.6% or \$10.3m, from \$75.7m in 1Q2015. The increase was largely due to closing of a few big deals in 1Q2016.

Comparing 1Q2016 to 4Q2015, revenue decreased by 4.9% or \$4.4m, from \$90.4m in 4Q2015 to \$86.0m in 1Q2016. The decrease in sales was due to a traditionally slower first quarter as the IT business historically weighed more heavily in the 2nd half of the year compared to the 1st half of the year.

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PROFIT BEFORE TAX (“PBT”)

The Group achieved a profit before tax of \$3.3m in 1Q2016, as compared to a profit before tax of \$2.2m in 1Q2015.

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

- (1) Improvement in gross profit by \$2.2m from \$12.4m 1Q2015 to \$14.6m in 1Q2016, mainly due to increase in revenue;
- (2) A decrease in depreciation charge from \$1.6m in 1Q2015 to \$560,000 in 1Q2016 mainly because most of the plant and equipment have been fully depreciated and also due to the weakening of the Chinese renminbi against Singapore dollar, where the majority of the Group’s assets are located; and
- (3) A decrease in allowance for inventory obsolescence from \$981,000 in 1Q2015 to \$571,000 in 1Q2016, mainly due to better inventory management.

The improvement in PBT was however affected by the following:

- (1) Net foreign exchange loss of \$708,000 in 1Q2016, as compared to net foreign exchange gain of \$1.2m in 1Q2015, mainly due to the depreciation of the United States dollar against the Singapore dollar. Excluding net foreign exchange loss, the Group reported a PBT of \$4.0m in 1Q2016, compared to PBT of \$1.0m in 1Q2015;
- (2) An increase in allowance for doubtful third parties trade receivables from \$282,000 in 1Q2015 to \$310,000 in 1Q2016; and
- (3) Fair value loss in derivative financial instruments of \$251,000 in 1Q2016, mainly due to those forward contract currencies appreciated against United States dollar in 1Q2016. There was no derivative financial instruments in 1Q2015.

Comparing 1Q2016 to 4Q2015, the Group achieved a PBT of \$3.3m in 1Q2016 as compared to PBT of \$2.7m in 4Q2015 mainly due to higher gross profit margin achieved in 1Q2016, despite of the lower revenue achieved.

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PROFIT AFTER TAX (“PAT”)

Group PAT increased by 46.7%, from a profit of \$1.5m in 1Q2015 to a profit of \$2.2m in 1Q2016. Comparing 1Q2016 to 4Q2015, net profit after tax increased by \$0.4m from profit of \$1.8m in 4Q2015 to profit of \$2.2m in 1Q2016. These were largely in line with the changes in Group PBT.

Provision for tax comprised mainly current income tax, deferred tax and withholding tax expenses of the Company and its subsidiaries. Income tax expenses increased from \$707,000 in 1Q2015 to \$1.1m in 1Q2016 mainly due to income tax expenses for subsidiaries with higher taxable profits attained and withholding tax expenses suffered.

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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 as at 31 March 2016 compared to 31 December 2015.

Cash and cash equivalents at the Group level increased by \$7.0m from \$36.7m to \$43.7m. The increase was mainly due to collection received from customers and proceeds from bank borrowings. At the Company level, cash and cash equivalents increased from \$2.4m to \$3.4m. The increase was mainly due to proceeds from bank borrowings, net of advance to a subsidiary.

Trade and other receivables of the Group decreased by \$7.4m from \$87.7m to \$80.3m. This is in line with the decrease in revenue. The increase at the Company level by \$4.8m from \$31.8m to \$36.6m was mainly due to advance to a subsidiary.

Inventories at the Group level decreased by \$7.8m from \$29.5m to \$21.7m mainly due to better management of inventories.

Property, plant and equipment decreased marginally by \$0.6m from \$20.7m to \$20.1m at the Group level mainly due to depreciation charge and disposal of plant and equipment, net of purchase of new plant and equipment. The decrease at the Company level was also mainly due to depreciation charge and disposal of plant and equipment, net of purchase of new plant and equipment.

Investment properties increased by \$1.0m from \$1.7m to \$2.7m at the Company level due to the purchase of a new property to support the operation of the subsidiaries. The investment properties are treated as property, plant and equipment at the Group level.

Trade and other payables decreased by \$13.1m from \$65.7m to \$52.6m at the Group level mainly due to payment made to vendors in 1Q2016. Trade and other payables at the Company level remained relatively unchanged.

Bank borrowings increased at both Group and Company level mainly due to drawdown of short-term loan from the banks, net of repayment of short term loans to the banks.

Foreign currency translation reserve decreased from \$4.7m to \$1.6m at Group level mainly due to appreciation of Singapore dollar against United States dollar and other local currencies.

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CASH FLOW ANALYSIS

Net cash of \$4.7m was generated from operating activities in 1Q2016, as compared to net cash of \$1.8m generated in 1Q2015. This was mainly due to the increase in profit before income tax and prompt collection from customers.

Net cash of \$1.3m was used in investing activities in 1Q2016, as opposed to net cash of \$132,000 generated in 1Q2015. The changes were mainly due to the purchase of property in 1Q2016.

Net cash of \$5.0m was generated from financing activities in 1Q2016, as opposed to \$514,000 used in financing activities in 1Q2015. This was mainly due to proceeds from bank borrowings of \$26.3m, net of repayment of bank borrowing of \$21.2m in 1Q2016, as compared to repayment of bank borrowings of \$28.3m, net of proceeds from bank borrowings of \$20.6m and a lift of pledged fixed deposits of \$7.3m in 1Q2015.

Cash and cash equivalents stood at \$42.2m as at end of 31 March 2016, up from \$35.8m as at end of 31 March 2015.

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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 1Q2016 to 1Q2015, the revenue for this quarter increased by 6.3% or \$0.4m from \$6.3m in 1Q2015 to \$6.7m in 1Q2016. The increase was mainly due to the increase in demand from one of our customers.

The Group is currently one of the leading PCB drilling service providers in terms of capacity and technology in Eastern China. As at 31 March 2016, the Group has 141 mechanical drilling machines and 22 laser drilling machines. In 1Q2016, the Group sold 2 mechanical drilling machines. 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 an increase in revenue of 13.6% or \$10.3m from \$75.7m in 1Q2015 to \$86.0m in 1Q2016. The increase in revenue was mainly due to closing of a few big deals in 1Q2016.

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, 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 and Nutanix 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 31 March 2016, the Group's IT business has a presence in 29 cities in 15 countries in the Asia Pacific region and in Europe. 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 recent USA interest rate rise, 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 receivables closely as collection 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, Thailand baht, Malaysian ringgit, Indian rupee and to a lesser extent, euro, Indonesian rupiah, Philippines peso, Hong Kong dollar, Korean won, Japanese yen, Taiwan dollar, Vietnam dong, Australian dollar and New Zealand dollar. The Group may, from time to time, enter into borrowing and foreign exchange arrangements to reduce its foreign currency exposure. 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 inventories on a quarterly basis and will make allowance 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 1Q2016 were largely in line with the prospect commentary disclosed to the shareholders on 5 February 2016.

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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 31 Mar 2016		As at 31 Dec 2015	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
1,929	23,049	2,091	17,908

Amount repayable after one year

As at 31 Mar 2016		As at 31 Dec 2015	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
2,468	-	2,789	-

Additional information and details of any collateral

The secured borrowings are secured on the Group's two properties, three motor vehicles, available-for-sale investment 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 2016 and 31 Mar 2016	90,095	37,288	37,288
Balance at 1 Jan 2015 and 31 Mar 2015 (before share consolidation)	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.

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NOTES TO THE FINANCIAL STATEMENTS

- 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 2015. In addition, the Group also adopted various revisions to the FRS, which became effective during that period. The said adoption has no significant impact to the financial statements of the Group.

- 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.**

Group	3 months ended	
	31-Mar-2016	31-Mar-2015 (Restated)
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	2.14 cents	1.35 cents
- Weighted average number of shares ('000)	90,095	90,095
(ii) On fully diluted basis	2.14 cents	1.35 cents
- Adjusted weighted average number of shares ('000)	90,095	90,095

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NOTES TO THE FINANCIAL STATEMENTS

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	
	31-Mar-2016	31-Dec-2015	31-Mar-2016	31-Dec-2015
Net asset value per share based on existing issued share capital as at the respective period	99.82 cents	101.02 cents	71.23 cents	71.87 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.

10. **DIVIDEND**

(a) **Current Financial Period Reported On**

No dividend has been declared/recommended for the financial period ended 31 March 2016.

(b) **Dividend for financial period ended 31 March 2015**

No dividend was declared/ recommended for the financial period ended 31 March 2015.

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.

12. **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.

Multi-Chem Limited
Registration No. 198500318Z

Interim Financial Statements and Dividend Announcement
For the financial period from 1 January 2016 to 31 March 2016

BY ORDER OF THE BOARD

Foo Suan Sai
Chief Executive Officer
28 April 2016

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 1Q2016 financial results to be false or misleading in any material aspects.

On behalf of the Board of Directors

Foo Suan Sai
Chief Executive Officer
Singapore, 28 April 2016

Han Juat Hoon
Chief Operating Officer
Singapore, 28 April 2016