



Multi-Chem Limited

(Incorporated in Singapore. Registration Number: 198500318Z)

Interim Financial Statements and Dividend Announcement

For the financial period from 1 January 2017 to 31 March 2017

Multi-Chem Limited

Registration No. 198500318Z

Interim Financial Statements and Dividend Announcement*For the financial period from 1 January 2017 to 31 March 2017***CONSOLIDATED INCOME STATEMENT**

Group	3 months ended		
	31/3/2017	31/3/2016	Change
	\$'000	\$'000	%
Revenue	97,725	92,675	5
Cost of sales	(83,197)	(78,020)	7
Gross profit	14,528	14,655	(1)
<i>Other items of income</i>			
- Interest income	70	70	-
- Other income	380	490	(22)
<i>Other items of expense</i>			
- Selling and distribution costs	(6,577)	(5,443)	21
- Administrative expenses	(5,394)	(6,332)	(15)
- Finance costs	(68)	(127)	(46)
Profit before income tax	2,939	3,313	(11)
Income tax expense	(1,299)	(1,126)	15
Profit for the financial period	1,640	2,187	(25)
Profit attributable to:			
Owners of the parent	1,526	1,928	(21)
Non-controlling interests	114	259	(56)
	1,640	2,187	(25)
Earnings per share for profit attributable to owners of the parent during the financial period (expressed in cents per share)			
Basic	1.69 cents	2.14 cents	
Diluted	1.69 cents	2.14 cents	

Interim Financial Statements and Dividend Announcement
For the financial period from 1 January 2017 to 31 March 2017

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Group	3 months ended		
	31/3/2017	31/3/2016	Change
	\$'000	\$'000	%
Profit for the financial period	1,640	2,187	(25)
Other comprehensive income for the financial period			
Items that may be reclassified subsequently to profit or loss			
Foreign currency differences on translation of foreign operations	(2,206)	(3,363)	(34)
Fair value gain on available-for-sale financial assets	27	32	(16)
Other comprehensive income for the financial period, net of tax	(2,179)	(3,331)	(35)
Total comprehensive income for the financial period	(539)	(1,144)	(53)
Total comprehensive income attributable to:			
Owners of the parent	(383)	(1,084)	(65)
Non-controlling interests	(156)	(60)	160
	(539)	(1,144)	(53)

Interim Financial Statements and Dividend Announcement
For the financial period from 1 January 2017 to 31 March 2017

NOTES TO CONSOLIDATED INCOME STATEMENT

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

Group	3 months ended		
	31/3/2017	31/3/2016	Change
	\$'000	\$'000	%
Other gains	379	490	(23)
Interest income	70	70	-
Interest expense	(68)	(127)	(46)
Amortisation of club memberships	(3)	(2)	50
Depreciation of property, plant and equipment	(728)	(560)	30
Allowance for doubtful third parties trade receivables	(9)	(310)	(97)
Allowance for inventory obsolescence	(258)	(571)	(55)
Inventory written off	(19)	-	100
Foreign exchange loss, net	(19)	(708)	(97)
Gain/(Loss) on disposals of plant and equipment	1	(13)	(108)
Plant and equipment written off	(1)	-	100
Fair value change in derivative financial instruments	(4)	(251)	(98)

Multi-Chem Limited

Registration No. 198500318Z

Interim Financial Statements and Dividend Announcement

For the financial period from 1 January 2017 to 31 March 2017

STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	31/3/2017	31/12/2016	31/3/2017	31/12/2016
	\$'000	\$'000	\$'000	\$'000
Non-current assets				
Property, plant and equipment	16,713	17,431	2,125	2,261
Investment properties	-	-	2,623	2,637
Investments in subsidiaries	-	-	24,432	24,432
Club memberships	549	563	186	186
Deferred tax assets	1,910	2,056	-	-
Available-for-sale financial assets	4,172	4,290	4,172	4,290
Trade receivables	384	679	-	-
Prepayment	615	636	615	636
	24,343	25,655	34,153	34,442
Current assets				
Inventories	24,634	28,976	278	297
Trade and other receivables	89,443	84,021	34,752	33,065
Prepayments	1,140	1,401	164	172
Current income tax recoverable	2,062	2,553	199	199
Derivative financial instruments	-	2	-	-
Cash and cash equivalents	54,148	50,773	4,380	1,826
	171,427	167,726	39,773	35,559
Less:				
Current liabilities				
Trade and other payables	73,189	76,074	1,498	2,935
Finance lease payables	94	117	94	117
Bank borrowings	15,441	9,495	6,591	1,295
Current income tax payable	1,085	967	-	-
Derivative financial instruments	9	7	-	-
	89,818	86,660	8,183	4,347
Net current assets	81,609	81,066	31,590	31,212
Less:				
Non-current liabilities				
Finance lease payables	12	29	12	29
Bank borrowings	1,721	1,927	1,721	1,927
Provision for post-employee benefits	188	195	-	-
Deferred tax liabilities	4	4	-	-
	1,925	2,155	1,733	1,956
	104,027	104,566	64,010	63,698
Equity				
Share capital	37,288	37,288	37,288	37,288
Foreign currency translation reserve	1,497	3,433	-	-
Available-for-sale reserve	368	341	368	341
Other reserves	5,222	5,222	-	-
Retained earnings	51,914	50,388	26,354	26,069
Equity attributable to owners of the parent	96,289	96,672	64,010	63,698
Non-controlling interests	7,738	7,894	-	-
Total equity	104,027	104,566	64,010	63,698

Interim Financial Statements and Dividend Announcement
For the financial period from 1 January 2017 to 31 March 2017

CONSOLIDATED STATEMENT OF CASH FLOWS

	3 months ended	
	31/3/2017	31/3/2016
	\$'000	\$'000
OPERATING ACTIVITIES		
Profit before income tax	2,939	3,313
Adjustments for:		
- Allowance made for doubtful third parties trade receivables	9	310
- Allowance made for inventory obsolescence	258	571
- Amortisation of club memberships	3	2
- Depreciation of property, plant and equipment	728	560
- Fair value change in derivative financial instruments	4	251
- (Gain)/Loss on disposals of plant and equipment	(1)	13
- Interest expense	68	127
- Interest income	(70)	(70)
- Inventory written off	19	-
- Plant and equipment written off	1	-
- Unrealised foreign exchange loss	21	300
Operating cash flows before working capital changes	3,979	5,377
Working capital changes:		
- Inventories	3,436	6,068
- Trade and other receivables	(9,214)	218
- Prepayments	259	313
- Trade and other payables	1,349	(6,276)
Cash generated from operations	(191)	5,700
Interest received	70	70
Income tax paid	(570)	(1,037)
Net cash (used in)/from operating activities	(691)	4,733

Multi-Chem Limited

Registration No. 198500318Z

Interim Financial Statements and Dividend Announcement*For the financial period from 1 January 2017 to 31 March 2017***CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)**

	3 months ended	
	31/3/2017	31/3/2016
	\$'000	\$'000
INVESTING ACTIVITIES		
Derivative financial instruments	-	(133)
Proceeds from disposals of plant and equipment	4	49
Purchase of plant and equipment	(597)	(1,177)
Net cash used in investing activities	(593)	(1,261)
FINANCING ACTIVITIES		
Increase in fixed deposits pledged	(13,364)	-
Proceeds from bank borrowings	20,011	26,348
Repayments of bank borrowings	(14,275)	(21,211)
Repayments of finance lease payables	(40)	(40)
Interest paid	(68)	(127)
Net cash (used in)/ from financing activities	(7,736)	4,970
Net change in cash and cash equivalents	(9,020)	8,442
Cash and cash equivalents at beginning of financial period	49,990	35,215
Effects of exchange rate changes on cash and cash equivalents	(969)	(1,450)
Cash and cash equivalents at end of financial period (Note 1)	40,001	42,207

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

Cash and cash equivalents as per Statement of Financial Position	54,148	43,701
Less: Fixed deposits pledged with banks	(14,147)	(1,494)
	40,001	42,207

Interim Financial Statements and Dividend Announcement
For the financial period from 1 January 2017 to 31 March 2017

STATEMENTS OF CHANGES IN EQUITY

Group	Share capital \$'000	Foreign currency translation reserve \$'000	Premium on acquisition of non-controlling interests \$'000	Available-for-sale reserve \$'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 2017	37,288	3,433	(123)	341	5,345	50,388	96,672	7,894	104,566
Profit for the financial period	-	-	-	-	-	1,526	1,526	114	1,640
Other comprehensive income for the financial period									
Foreign currency differences on translation of foreign operations	-	(1,936)	-	-	-	-	(1,936)	(270)	(2,206)
Fair value gain on available-for-sale financial assets	-	-	-	27	-	-	27	-	27
Total comprehensive income for the financial period	-	(1,936)	-	27	-	1,526	(383)	(156)	(539)
Balance at 31 March 2017	37,288	1,497	(123)	368	5,345	51,914	96,289	7,738	104,027
Balance at 1 January 2016	37,288	4,670	(123)	198	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	-	(3,044)	-	32	-	1,928	(1,084)	(60)	(1,144)
Balance at 31 March 2016	37,288	1,626	(123)	230	5,281	45,627	89,929	6,631	96,560

Multi-Chem Limited

Registration No. 198500318Z

Interim Financial Statements and Dividend Announcement*For the financial period from 1 January 2017 to 31 March 2017***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 2017	37,288	26,069	341	63,698
Profit for the financial period	-	285	-	285
Other comprehensive income for the financial period				
Fair value gain on available-for-sale financial assets	-	-	27	27
Total comprehensive income for the financial period	-	285	27	312
Balance at 31 March 2017	37,288	26,354	368	64,010
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

Interim Financial Statements and Dividend Announcement
For the financial period from 1 January 2017 to 31 March 2017

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 revenue of \$97.7m for the three months ended 31 March 2017 ("1Q2017"), an increase of 5.4% or \$5.0m compared to the revenue of \$92.7m for the three months ended 31 March 2016 ("1Q2016").

Comparing 1Q2017 to three months ended 31 December 2016 ("4Q2016"), the Group revenue increased by 1.3% or \$1.3m, from \$96.4m to \$97.7m.

For 1Q2017, the IT Division accounted for 94.3% of the Group's revenue, while the PCB Division accounted for the remaining 5.7% of the Group's revenue.

Interim Financial Statements and Dividend Announcement
For the financial period from 1 January 2017 to 31 March 2017

REVENUE

PCB Division

Revenue in this Division decreased by 16.4% or \$1.1m, from \$6.7m in 1Q2016 to \$5.6m in 1Q2017.

Comparing 1Q2017 to 4Q2016, revenue in this Division decreased by 13.8% or \$0.9m from \$6.5m in 4Q2016 to \$5.6m in 1Q2017. The decrease in revenue was mainly due to the uncertainty in the global economic outlook and lesser demand from customers.

IT Division

The IT Distribution business achieved quarterly revenue of \$92.1m in 1Q2017, an increase of 7.1% or \$6.1m, from \$86.0m in 1Q2016.

Comparing 1Q2017 to 4Q2016, revenue increased by 2.4% or \$2.2m, from \$89.9m in 4Q2016 to \$92.1m in 1Q2017. The increase was mainly due to certain big deals closed during 1Q2017.

Interim Financial Statements and Dividend Announcement
For the financial period from 1 January 2017 to 31 March 2017

PROFIT BEFORE TAX (“PBT”)

The Group achieved a PBT of \$2.9m in 1Q2017, as compared to \$3.3m in 1Q2016.

The decrease in PBT in 1Q2017 was mainly due to the following:-

- (1) A decrease of \$127,000 in gross profit. The decrease in gross profit despite higher revenue achieved was mainly due to the decrease in gross profit margin by 0.9% from 15.8% in 1Q2016 to 14.9% in 1Q2017. The decrease in gross profit margin was mainly due to a decrease in the high operating leverage PCB Division. Given the fixed cost of depreciation on laser and mechanical drilling machines, the gross margin is particularly sensitive to changes in production volumes;
- (2) An increase in depreciation charge from \$560,000 in 1Q2016 to \$728,000 in 1Q2017 mainly because of the change in estimate on the residual value of the machineries as a result of a review performed at the end of financial year 2016; and
- (3) An increase in staff costs of \$1.2m in 1Q2017 as compared to 1Q2016. The change was mainly due to the increase in commission expenses as a result of revenue increase in 1Q2017 and increased salary costs mainly due to increase in headcount.

The drop in PBT was however ameliorated by the following:

- (1) A decrease in allowance for inventory obsolescence from \$571,000 in 1Q2016 to \$258,000 in 1Q2017, based on the review of inventory obsolescence performed;
- (2) A decrease in fair value loss in derivative financial instrument from \$251,000 in 1Q2016 to \$4,000 in 1Q2017, mainly due to the decrease in volume for derivative financial instrument in 1Q2017 and those currencies managed by entering forward currency contract appreciated against United States dollar in 1Q2016;
- (3) A decrease in allowance for doubtful third parties trade receivables from \$310,000 in 1Q2016 to \$9,000 in 1Q2017, mainly due to better collection from customers in 1Q2017 as compared to 1Q2016; and
- (4) A decrease in net foreign exchange loss of \$689,000 from \$708,000 in 1Q2016 to \$19,000 in 1Q2017 mainly due to depreciation of United States dollar against Singapore dollar and other local currencies in 1Q2017. Excluding net foreign exchange loss, the Group reported a PBT of \$2.9m in 1Q2017, compared to a PBT of \$4.0m in 1Q2016.

Interim Financial Statements and Dividend Announcement
For the financial period from 1 January 2017 to 31 March 2017

PROFIT BEFORE TAX (“PBT”) (Continued)

Comparing 1Q2017 to 4Q2016, the Group achieved a PBT of \$2.9m in 1Q2017 as compared to a PBT of \$5.9m in 4Q2016.

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

- (1) Allowance of doubtful third parties trade receivables of \$9,000 in 1Q2017 as compared to reversal of allowance for doubtful third parties trade receivables of \$1.4m in 4Q2016 mainly due to collections received in 4Q2016;
- (2) A net foreign exchange loss of \$19,000 in 1Q2017 as compared to net foreign exchange gain of \$1.1m in 4Q2016, mainly due to depreciation of United States dollar against Singapore dollar and other local currencies; and
- (3) An increase in staff costs of \$1.4m in 1Q2017 as compared to 4Q2016, mainly due to the increase in commission expenses as a result of revenue increase in 1Q2017 and reversal of accrued staff costs in 4Q2016.

The decrease in PBT was however ameliorated by the following:

- (1) A decrease in depreciation charge from \$2.0m in 4Q2016 to \$728,000 in 1Q2017 mainly due to additional depreciation charged as a result of the change in estimate on the residual value of the machineries as a result of a review performed at the end of financial year 2016.

PROFIT AFTER TAX (“PAT”)

Group PAT decreased by 27.3%, from a profit of \$2.2m in 1Q2016 to a profit of \$1.6m in 1Q2017. Comparing 1Q2017 to 4Q2016, net PAT decreased by \$2.8m from a profit of \$4.4m in 4Q2016 to a profit of \$1.6m in 1Q2017. 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 \$1.1m in 1Q2016 to \$1.3m in 1Q2017 mainly due to income tax expenses for subsidiaries with higher taxable profits generated.

Interim Financial Statements and Dividend Announcement
For the financial period from 1 January 2017 to 31 March 2017

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 2017 compared to 31 December 2016.

Cash and cash equivalents at the Group level increased by \$3.3m from \$50.8m to \$54.1m. The increase was mainly due to fixed deposits pledged with banks to draw short-term loans in Singapore dollar to finance the operating expenses of the Group. At the Company level, cash and cash equivalents increased from \$1.8m to \$4.4m. The increase was mainly due to advance to a subsidiary and fixed deposits pledged with banks to draw short-term loans in Singapore dollar.

Trade and other receivables of the Group increased by \$5.1m from \$84.7m to \$89.8m, mainly due to higher revenue generated in 1Q2017. The increase at the Company level by \$1.7m from \$33.1m to \$34.8m was mainly due to advance to a subsidiary.

Inventories at the Group level decreased by \$4.4m from \$29.0m to \$24.6m mainly due to better management of inventories.

Property, plant and equipment decreased by \$0.7m from \$17.4m to \$16.7m at the Group level mainly due to depreciation charge, net of purchase of new plant and equipment. The decrease at the Company level is mainly due to depreciation charge.

Trade and other payables decreased by \$2.9m from \$76.1m to \$73.2m at the Group level due mainly to payment made to vendors in 1Q2017. The decrease at the Company level was mainly due to payment of accrued expenses for year 2016 in 1Q2017.

Bank borrowings increased at both Group level and Company level mainly due to short-term loans draw down against the fixed deposits pledged with the banks, to finance the operating expenses of the Group.

Foreign currency translation reserve at the Group level decreased from \$3.4m to \$1.5m mainly due to appreciating Singapore dollar against Chinese renminbi and United States dollar in 1Q2017.

Interim Financial Statements and Dividend Announcement
For the financial period from 1 January 2017 to 31 March 2017

CASH FLOW ANALYSIS

Net cash of \$691,000 was used in operating activities in 1Q2017, as compared to net cash of \$4.7m generated in 1Q2016. This was mainly because of the increase in trade and other receivables due to the higher revenue attained in 1Q2017.

Net cash of \$593,000 was used in investing activities in 1Q2017, as compared to net cash of \$1.3m used in 1Q2016. The changes were mainly due to lower purchase of plant and equipment in 1Q2017.

Net cash of \$7.7m was used in financing activities in 1Q2017, as compared to \$5.0m generated from financing activities in 1Q2016. The change was mainly due to proceeds from bank borrowings of \$20.0m, net of repayment of bank borrowings of \$14.3m and an increase in fixed deposits pledged of \$13.4m in 1Q2017, as compared to proceeds from bank borrowings of \$26.3m, net of repayment of bank borrowings of \$21.2m in 1Q2016.

Cash and cash equivalents stood at \$40.0m as at end of 31 March 2017, down from \$42.2m as at end of 31 March 2016.

Interim Financial Statements and Dividend Announcement
For the financial period from 1 January 2017 to 31 March 2017

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 1Q2017 to 1Q2016, the revenue for this quarter decreased by 16.4% or \$1.1m, from \$6.7m in 1Q2016 to \$5.6m in 1Q2017. The decrease was mainly due to the uncertainty in the global economic outlook and lesser demand from 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 2017, the Group has 132 drilling machines and 21 laser drilling machines. The Group will continue to be selective of its customers, rationalise operations, manage headcount to cut cost and conserve cash.

With the disposal of 103 CNC drilling machines in China in year 2017, contribution from its manufacturing division is expected to reduce in year 2017 and in the subsequent years.

IT

The IT business through Singapore and the regional offices achieved an increase in revenue of 7.1% or \$6.1m from \$86.0m in 1Q2016 to \$92.1m in 1Q2017. The increase in revenue is mainly due to certain big deals closed during 1Q2017.

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, Cyberark, 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 2017, the Group's IT business has a presence in 29 cities in 15 countries in the Asia Pacific region and Europe. M.Tech offices in countries that are already mature in operations are expected to contribute more to the Group's performance.

Interim Financial Statements and Dividend Announcement
For the financial period from 1 January 2017 to 31 March 2017

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. Global economic outlook remains uncertain after the recent U.K. referendum and with the new US administration, the Group's business could be affected to some extent. With the recent increase in US interest rates, the cost of business is expected to similarly increase. 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.

Interim Financial Statements and Dividend Announcement
For the financial period from 1 January 2017 to 31 March 2017

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 which 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.

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 allowances where necessary.

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, New Zealand dollar and British Pound. The Group may, from time to time, enter into borrowing and foreign currency 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.

Multi-Chem Limited
Registration No. 198500318Z

Interim Financial Statements and Dividend Announcement
For the financial period from 1 January 2017 to 31 March 2017

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 1Q2017 were largely in line with the prospect commentary disclosed to the shareholders on 10 February 2017.

Multi-Chem Limited

Registration No. 198500318Z

Interim Financial Statements and Dividend Announcement*For the financial period from 1 January 2017 to 31 March 2017***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 2017		As at 31 Dec 2016	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
12,535	3,000	1,412	8,200

Amount repayable after one year

As at 31 Mar 2017		As at 31 Dec 2016	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
1,733	-	1,956	-

Additional information and details of any collateral

The secured borrowings are secured on the Group's two properties, two motor vehicles, available-for-sale financial assets 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 2017 and 31 Mar 2017	90,095	37,288	37,288
Balance at 1 Jan 2016 and 31 Mar 2016	90,095	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.

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 2016. 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.

Multi-Chem Limited

Registration No. 198500318Z

Interim Financial Statements and Dividend Announcement*For the financial period from 1 January 2017 to 31 March 2017***NOTES TO THE FINANCIAL STATEMENTS**

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.

<u>Group</u> Earnings per share attributable to owners of the parent during the financial period (expressed in cents per share)	3 months ended	
	31-Mar-2017	31-Mar-2016
(i) Based on weighted average number of shares	1.69 cents	2.14 cents
- Weighted average number of shares ('000)	90,095	90,095
(ii) On fully diluted basis	1.69 cents	2.14 cents
- Adjusted weighted average number of shares ('000)	90,095	90,095

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-2017	31-Dec-2016	31-Mar-2017	31-Dec-2016
Net asset value per share based on existing issued share capital as at the respective period	106.87 cents	107.30 cents	71.05 cents	70.70 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.

Interim Financial Statements and Dividend Announcement
For the financial period from 1 January 2017 to 31 March 2017

NOTES TO THE FINANCIAL STATEMENTS

10. DIVIDEND

(a) Current Financial Period Reported On

No dividend has been declared/recommended for the financial period ended 31 March 2017.

(b) Dividend for financial period ended 31 March 2016

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

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.

BY ORDER OF THE BOARD

Foo Suan Sai
Chief Executive Officer
21 April 2017

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 quarter ended 31 March 2017 to be false or misleading in any material aspects.

On behalf of the Board of Directors

Foo Suan Sai
Chief Executive Officer
Singapore, 21 April 2017

Han Juat Hoon
Chief Operating Officer
Singapore, 21 April 2017