



Multi-Chem Limited

(Incorporated in Singapore. Registration Number: 198500318Z)

Unaudited Condensed Interim Financial Statements and Dividend Announcement

For the financial period from 1 January 2025 to 30 June 2025

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CONSOLIDATED INCOME STATEMENT

Group	Note	6 months ended		
		30-06-2025 \$'000	30-06-2024 \$'000	Change %
Revenue	1.1	300,972	342,533	(12)
Cost of sales		(256,532)	(290,636)	(12)
Gross profit	1.2(a)	44,440	51,897	(14)
Other items of income				
- Interest income	1.2(d)	3,625	1,483	144
- Other income		821	1,023	(20)
Other items of expense				
- Selling and distribution costs	1.2(f), 1.2(g)	(16,826)	(17,892)	(6)
- Administrative and other expenses	1.2(c), 1.2(f)	(13,760)	(14,302)	(4)
- Reversal of allowance/(loss allowance) on third party trade receivables and contract assets	1.2(e)	826	(819)	(201)
- Finance costs	1.2(b)	(2,071)	(571)	263
Profit before income tax	1.2	17,055	20,819	(18)
Income tax expense	1.3	(2,842)	(4,399)	(35)
Profit for the financial period	1.3	14,213	16,420	(13)
Profit attributable to:				
Owners of the Company		14,213	16,420	(13)
Earnings per share for profit attributable to owners of the Company during the financial period				
(expressed in cents per share)				
Basic		15.78 cents	18.23 cents	
Diluted		15.78 cents	18.23 cents	

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Group	6 months ended		
	30-06-2025	30-06-2024	Change
	\$'000	\$'000	%
Profit for the financial period	14,213	16,420	(13)
Other comprehensive income for the financial period:			
<i>Item that may be reclassified subsequently to profit or loss</i>			
Foreign currency differences on translation of foreign operations	(5,829)	2,461	(337)
<i>Item that will not be reclassified subsequently to profit or loss</i>			
Fair value change in financial asset, at FVOCI	-	(6)	(100)
Other comprehensive income for the financial period, net of tax	(5,829)	2,455	(337)
Total comprehensive income for the financial period	8,384	18,875	(56)
Total comprehensive income attributable to:			
Owners of the Company	8,384	18,875	(56)

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STATEMENTS OF FINANCIAL POSITION

		Group		Company	
	Note	30-06-2025 \$'000	31-12-2024 \$'000	30-06-2025 \$'000	31-12-2024 \$'000
Non-current assets					
Property, plant and equipment	1.4(a)	7,059	7,367	220	163
Investment properties		-	-	2,162	2,190
Investments in subsidiaries		-	-	-	-
Club memberships		955	998	374	374
Right-of-use assets	1.4(b)	1,859	2,066	-	89
Deferred tax assets	1.4(c)	6,967	6,504	-	-
Financial asset, at FVOCI		-	-	-	-
Financial asset, at FVPL	1.4(d)	4,845	5,107	4,845	5,107
Derivative financial instruments		-	38	-	-
Trade receivables	1.4(f)	15,572	27,568	-	-
Prepayments		388	624	2	4
		<u>37,645</u>	<u>50,272</u>	<u>7,603</u>	<u>7,927</u>
Current assets					
Inventories	1.4(g)	57,276	75,867	7	150
Trade and other receivables	1.4(f)	175,366	181,837	49,010	37,405
Contract assets	1.4(h)	1,668	2,328	-	-
Prepayments		1,773	1,556	153	85
Current income tax recoverable	1.4(i)	5,022	6,714	-	-
Derivative financial instruments		12	36	-	-
Fixed deposits	1.4(e)	36,409	40,224	14,975	11,229
Cash and bank balances	1.4(e)	34,858	43,596	1,125	1,600
		<u>312,384</u>	<u>352,158</u>	<u>65,270</u>	<u>50,469</u>
Less:					
Current liabilities					
Trade and other payables	1.4(j)	131,127	162,357	3,757	7,903
Contract liabilities	1.4(k)	19,263	24,730	-	-
Provision	1.4(l)	24,860	25,161	-	-
Lease liabilities	1.4(m)	759	787	-	59
Current income tax payable		4,590	5,281	2	77
		<u>180,599</u>	<u>218,316</u>	<u>3,759</u>	<u>8,039</u>
Net current assets		<u>131,785</u>	<u>133,842</u>	<u>61,511</u>	<u>42,430</u>
Less:					
Non-current liabilities					
Trade payables	1.4(j)	12,782	22,687	-	-
Contract liabilities	1.4(k)	3,735	3,837	-	-
Lease liabilities	1.4(m)	1,014	1,402	-	41
Provision for post-employee benefits		692	738	-	-
Deferred tax liabilities		1,409	1,242	-	-
		<u>19,632</u>	<u>29,906</u>	<u>-</u>	<u>41</u>
Net assets		<u>149,798</u>	<u>154,208</u>	<u>69,114</u>	<u>50,316</u>
Equity					
Share capital		37,288	37,288	37,288	37,288
Foreign currency translation account	1.4(n)	(6,294)	(465)	-	-
Other reserves		(1,152)	(1,152)	-	-
Retained earnings		119,956	118,537	31,826	13,028
Total equity		<u>149,798</u>	<u>154,208</u>	<u>69,114</u>	<u>50,316</u>

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CONSOLIDATED STATEMENT OF CASH FLOWS

		6 months ended	
	Note	30-06-2025 \$'000	30-06-2024 \$'000
OPERATING ACTIVITIES			
Profit before income tax		17,055	20,819
Adjustments for:			
- (Reversal of allowance)/loss allowance on third party trade receivables and contract assets		(826)	819
- Allowance made for inventory obsolescence		2,430	720
- Third party trade receivables written off		11	48
- Fair value change in financial asset, at FVPL		(57)	(59)
- Fair value change in derivative financial instruments		61	(13)
- Depreciation of property, plant and equipment		355	457
- Gain on disposal of property, plant and equipment		(60)	(337)
- Amortisation of club memberships		5	5
- Depreciation of right-of-use assets		404	508
- Gain on lease modifications		(9)	-
- Interest expense		2,071	571
- Interest income		(3,625)	(1,483)
- Inventories written off		423	76
- Property, plant and equipment written off		4	-
- Third party trade and other payables written off		(40)	(254)
- Unrealised foreign exchange loss/(gain)		15	(118)
Operating cash flows before working capital changes		18,217	21,759
Working capital changes:			
- Inventories		11,320	12,094
- Trade and other receivables, and contract assets		6,286	(13,734)
- Prepayments		(70)	281
- Trade and other payables, and contract liabilities		(30,987)	(28,374)
- Provision		963	3,462
Cash generated from/(absorbed by) operations		5,729	(4,512)
Interest received		2,172	1,483
Income tax paid		(2,524)	(2,769)
Net cash generated from/(used in) operating activities	1.5	5,377	(5,798)

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CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

	Note	6 months ended 30-06-2025 \$'000	30-06-2024 \$'000
INVESTING ACTIVITIES			
Proceeds from disposal of property, plant and equipment		70	498
Purchase of property, plant and equipment		(256)	(393)
Additions to right-of-use assets		(211)	-
Net cash (used in)/generated from investing activities	1.5	(397)	105
FINANCING ACTIVITIES			
Repayments of bank borrowings		-	(790)
Repayments of lease liabilities		(382)	(489)
Interest paid		(1,086)	(571)
Dividends paid to owners of the parent		(12,794)	(13,965)
Net cash used in financing activities	1.5	(14,262)	(15,815)
Net change in cash and cash equivalents		(9,282)	(21,508)
Cash and cash equivalents at beginning of financial period		83,771	72,999
Effects of exchange rate changes on cash and cash equivalents		(3,270)	886
Cash and cash equivalents at end of financial period (Note 1)		71,219	52,377
Note 1			
<i>Cash and cash equivalents at end of financial period comprise of:</i>			
Cash and cash equivalents as per Consolidated Statement of Financial Position		71,267	52,423
Less: Fixed deposits pledged with banks		(48)	(46)
		71,219	52,377

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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 2025	37,288	(465)	(1,043)	(439)	330	118,537	154,208
Profit for the financial year	-	-	-	-	-	14,213	14,213
Other comprehensive income for the financial year							
Foreign currency differences on translation of foreign operations	-	(5,829)	-	-	-	-	(5,829)
Total comprehensive income for the financial year	-	(5,829)	-	-	-	14,213	8,384
Distributions to the owners of the Company							
Dividends	-	-	-	-	-	(12,794)	(12,794)
Total transactions with the owners of the Company	-	-	-	-	-	(12,794)	(12,794)
Balance at 30 June 2025	37,288	(6,294)	(1,043)	(439)	330	119,956	149,798
Balance at 1 January 2024	37,288	(3,589)	(1,043)	(432)	330	111,650	144,204
Profit for the financial year	-	-	-	-	-	16,420	16,420
Other comprehensive income for the financial year							
Foreign currency differences on translation of foreign operations	-	2,461	-	-	-	-	2,461
Fair value change in financial asset, at FVOCI	-	-	-	(6)	-	-	(6)
Total comprehensive income for the financial year	-	2,461	-	(6)	-	16,420	18,875
Distributions to the owners of the Company							
Dividends	-	-	-	-	-	(13,965)	(13,965)
Total transactions with the owners of the Company	-	-	-	-	-	(13,965)	(13,965)
Balance at 30 June 2024	37,288	(1,128)	(1,043)	(438)	330	114,105	149,114

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STATEMENTS OF CHANGES IN EQUITY (Continued)

Company	Share capital \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 1 January 2025	37,288	13,028	50,316
Profit for the financial year	-	31,592	31,592
Total comprehensive income for the financial year	-	31,592	31,592
Distributions to the owners			
Dividends	-	(12,794)	(12,794)
Total transactions with the owners	-	(12,794)	(12,794)
Balance at 30 June 2025	37,288	31,826	69,114
Balance at 1 January 2024	37,288	14,906	52,194
Profit for the financial year	-	24,378	24,378
Total comprehensive income for the financial year	-	24,378	24,378
Distributions to the owners			
Dividends	-	(13,965)	(13,965)
Total transactions with the owners	-	(13,965)	(13,965)
Balance at 30 June 2024	37,288	25,319	62,607

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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 Group are those of investment holding, distribution of hardware and software relating to internet and network products, and provision of maintenance services for such products, 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.

2. Basis of Preparation

The condensed interim financial statements for the six months ended 30 June 2025 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 2024.

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 does not expect the adoption of these amendments to Standards will have a material impact on the condensed consolidated interim financial statements.

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 2024.

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

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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		Greater China	India	Vietnam	Others	Elimination and adjustments	Total
1 January 2025 to 30 June 2025	IT business \$'000	PCB business \$'000	IT business \$'000	IT business \$'000	IT business \$'000	IT business \$'000	\$'000	\$'000
Revenue								
- External sales	179,958	325	21,044	14,658	11,166	73,821	-	300,972
- Inter-segment sales	1	-	-	-	-	-	(1)	-
Total revenue	179,959	325	21,044	14,658	11,166	73,821	(1)	300,972

	IT business \$'000	PCB business \$'000	Elimination and adjustments \$'000	Total \$'000
Segment results				
Interest income	3,451	174	-	3,625
Interest expense	(2,071)	-	-	(2,071)
Depreciation of property, plant and equipment	(280)	(75)	-	(355)
<i>Other non-cash items:</i>				
- Gain on disposal of property, plant and equipment	56	4	-	60
- Amortisation of club membership	(5)	-	-	(5)
- Depreciation of right-of-use assets	(391)	(13)	-	(404)
- Third party trade receivables written off	(11)	-	-	(11)
- Inventories written off	(421)	(2)	-	(423)
- Property, plant and equipment written off	-	(4)	-	(4)
- Unrealised foreign exchange gain/(loss)	2,249	(2,264)	-	(15)
- Allowance (made)/reversed for inventory obsolescence	(2,444)	14	-	(2,430)
- Reversal of allowance on third party trade receivables and contract assets	823	3	-	826
- Fair value change in financial asset, at FVPL	-	57	-	57
- Fair value change in derivative financial instruments	(61)	-	-	(61)
Segment profit before income tax	16,431	624	-	17,055

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4.1. Reportable segments (Continued)

	Singapore		Greater China		India	Vietnam	Others		
	IT	PCB	IT	IT	IT	IT	IT		
1 January 2025 to 30 June 2025	business	business	business	business	business	business	business	Unallocated	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Capital expenditure									
Property, plant and equipment	118	106	-	6	3	23	-	-	256
30 June 2025									
Assets and liabilities									
Segment assets	200,480	23,922	16,079	30,258	6,470	60,831	11,989	-	350,029
Segment liabilities	121,805	3,751	11,142	24,935	1,786	30,813	5,999	-	200,231

	Singapore		Greater China		India	Vietnam	Others		
	IT	PCB	IT	IT	IT	IT	IT	Elimination and	
1 January 2024 to 30 June 2024	business	business	business	business	business	business	business	adjustments	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue									
- External sales	202,020	790	12,311	36,553	9,114	81,745	-	-	342,533
- Inter-segment sales	-	-	-	-	-	-	-	-	-
Total revenue	202,020	790	12,311	36,553	9,114	81,745	-	-	342,533

	IT	PCB	Elimination and	Total
	business	business	adjustments	
	\$'000	\$'000	\$'000	\$'000
Segment results				
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

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4.1. Reportable segments (Continued)

	Singapore		Greater China		India	Vietnam		Others	
	IT business	PCB business	IT business	IT business	IT business	IT business	IT business	Unallocated	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
1 January 2024 to 30 June 2024									
Capital expenditure									
Property, plant and equipment	325	-	2	4	-	62	-	393	
31 December 2024									
Assets and liabilities									
Segment assets	237,222	21,472	16,983	37,298	7,210	69,027	13,218	402,430	
Segment liabilities	153,158	8,002	12,647	30,878	2,534	34,480	6,523	248,222	

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		Greater China		India		Vietnam		Others		Total	
	6 months ended 30-06-2025	6 months ended 30-06-2024	6 months ended 30-06-2025	6 months ended 30-06-2024	6 months ended 30-06-2025	6 months ended 30-06-2024	6 months ended 30-06-2025	6 months ended 30-06-2024	6 months ended 30-06-2025	6 months ended 30-06-2024	6 months ended 30-06-2025	6 months ended 30-06-2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue from external customers	137,466	163,016	21,927	13,051	14,443	33,267	48,127	42,322	79,009	90,877	300,972	342,533
	Singapore		Greater China		India		Vietnam		Others		Total	
	as at 30-06-2025	as at 31-12-2024	as at 30-06-2025	as at 31-12-2024	as at 30-06-2025	as at 31-12-2024	as at 30-06-2025	as at 31-12-2024	as at 30-06-2025	as at 31-12-2024	as at 30-06-2025	as at 31-12-2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Non-current assets	5,788	5,942	482	546	667	845	149	246	3,175	3,476	10,261	11,055

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4.2. Disaggregation of Revenue

	At point in time		Group Over time		Total	
	6 months ended		6 months ended		6 months ended	
	30-06-2025	30-06-2024	30-06-2025	30-06-2024	30-06-2025	30-06-2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
IT business						
- Distribution of IT products	293,541	334,348	-	-	293,541	334,348
- In-house maintenance services	-	-	4,535	4,710	4,535	4,710
- Professional services	2,528	2,507	-	-	2,528	2,507
- Training services	43	121	-	-	43	121
PCB business						
- PCB services	137	380	-	-	137	380
- Distribution of PCB related products	188	259	-	-	188	259
	<u>296,437</u>	<u>337,615</u>	<u>4,535</u>	<u>4,710</u>	<u>300,972</u>	<u>342,325</u>
Rental						
- IT					-	57
- PCB					-	151
					<u>300,972</u>	<u>342,533</u>

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5. Profit before taxation

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

Group	6 months ended		
	30-06-2025	30-06-2024	Change
	\$'000	\$'000	%
Other gains	655	360	82
Interest income	3,625	1,483	144
Interest expense	(2,071)	(571)	263
Amortisation of club memberships	(5)	(5)	-
Depreciation of property, plant and equipment	(355)	(457)	(22)
Depreciation of right-of-use assets	(404)	(508)	(20)
Reversal of allowance/(loss allowance) on third party trade receivables and contract assets	826	(819)	(201)
Third party trade receivables written off	(11)	(48)	(77)
Allowance made for inventory obsolescence	(2,430)	(720)	238
Inventories written off	(423)	(76)	457
Foreign exchange loss, net	(671)	(19)	3,432
Gain on disposal of property, plant and equipment	60	337	(82)
Property, plant and equipment written off	(4)	-	(100)
Third party trade and other payables written off	40	254	(84)
Gain on lease modifications	9	-	100
Fair value change in financial asset, at FVPL	57	59	(3)
Fair value change in derivative financial instrument	(61)	13	(569)

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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.**

Group Earnings per share attributable to owners of the parent during the financial period (expressed in cents per share)	6 months ended	
	30-06-2025	30-06-2024
(i) Based on weighted average number of shares	15.78 cents	18.23 cents
- Weighted average number of shares ('000)	90,095	90,095
(ii) On fully diluted basis	15.78 cents	18.23 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	
	30-06-2025	31-12-2024	30-06-2025	31-12-2024
Net asset value per share based on existing issued share capital as at the respective period	166.27 cents	171.16 cents	76.71 cents	55.85 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 2025, 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 \$2,430,000 and \$423,000 (30 June 2024: \$720,000 and \$76,000) respectively that have been included in "cost of sales" line item in profit or loss.

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10. Trade and other receivables

	Group	
	30-06-2025	31-12-2024
	\$'000	\$'000
Non-current assets		
Trade receivables		
- third parties	15,952	28,647
Loss allowance on third party trade receivables	(380)	(1,079)
	<u>15,572</u>	<u>27,568</u>
Current assets		
Trade receivables		
- third parties	168,070	176,744
Loss allowance on third party trade receivables	(3,790)	(4,408)
	<u>164,280</u>	<u>172,336</u>
Non-trade receivables		
- third parties	7,366	5,964
	<u>171,646</u>	<u>178,300</u>
Deposits	417	420
Value added tax	<u>3,303</u>	<u>3,117</u>
Total current trade and other receivables	<u>175,366</u>	<u>181,837</u>
Total trade and other receivables	<u>190,938</u>	<u>209,405</u>

Non-current trade receivables due from third parties are unsecured, non-interest bearing and expected to be settled within 2 to 4 years (2024: 2 to 5 years). The fair value of non-current trade receivables is computed based on cash flows discounted at market borrowing rates ranging from 1.20% to 15.40% (2024: 1.20% to 15.40%) and approximates its carrying amounts.

Current trade receivables due from third parties are unsecured, non-interest bearing and generally on 30 to 120 (2024: 30 to 120) days credit terms.

The aging analysis of trade receivables is as follows:

	Group	
	30-06-2025	31-12-2024
	\$'000	\$'000
Current	134,988	162,073
Past due 0 to 1 month	21,103	15,854
Past due 1 to 2 months	15,717	10,041
Past due 2 to 5 months	3,175	13,380
Past due over 5 months	9,039	4,043
Total	<u>184,022</u>	<u>205,391</u>

Trade receivables are presented in:

Non-current assets	15,952	28,647
Current assets	<u>168,070</u>	<u>176,744</u>
	<u>184,022</u>	<u>205,391</u>

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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, including their respective credit rating.

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

	Group	
	30-06-2025	31-12-2024
	\$'000	\$'000
Balance at beginning of financial period/year	5,487	4,646
Loss allowance made during the financial period/year		
- (reversed)/made for lifetime expected credit loss, not credit impaired	(977)	1,053
- made for/(reversed) lifetime expected credit loss, credit impaired	155	(208)
Receivable written off as uncollectible	(217)	(52)
Currency translation adjustment	(278)	48
Balance at end of financial period/year	<u>4,170</u>	<u>5,487</u>

As at 30 June 2025, trade receivables of \$472,000 (31 December 2024: \$564,000) 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 and there was significant uncertainty over the recoverability of these debts.

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

	Group	
	30-06-2025	31-12-2024
	\$'000	\$'000
IT business		
- Australia	372	411
- Singapore	1,450	1,416
- India	1,470	2,793
- Vietnam	209	146
- Rest of Southeast Asia	643	661
- Others	26	57
	<u>4,170</u>	<u>5,484</u>
PCB business		
- Singapore	-	3
Total	<u>4,170</u>	<u>5,487</u>

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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	
	30-06-2025	31-12-2024
	\$'000	\$'000
Balance at beginning of financial period/year	25,161	25,107
Provisions made	15,735	33,796
Provisions utilised	(14,772)	(34,485)
Currency translation adjustment	(1,264)	743
Balance at end of financial period/year	<u>24,860</u>	<u>25,161</u>

The provision for post-sales technical support 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 2025		As at 31 Dec 2024	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
-	-	-	-

Amount repayable after one year

As at 30 Jun 2025		As at 31 Dec 2024	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
-	-	-	-

Additional information and details of any collateral

Not applicable.

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13. Share Capital

	Issued shares '000	Share capital \$'000	Total share capital \$'000
Balance at 1 Jan 2025 and 30 Jun 2025	90,095	37,288	37,288
Balance at 1 Jan 2024 and 30 Jun 2024	90,095	37,288	37,288

The Company did not hold any treasury shares as at 30 June 2025.

The Company's subsidiaries do not hold any shares in the Company as at 30 June 2025 and 30 June 2024.

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.

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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 2025 ("1H2025"), the Group achieved revenue of \$301.0m, a year-on-year decrease of 12.1% or \$41.5m, compared to revenue of \$342.5m achieved for the six months ended 30 June 2024 ("1H2024").

For 1H2025, the IT Division accounted for 99.9% of the Group's revenue, while the PCB Division accounted for the remaining 0.1% of the Group's revenue.

IT Division

The IT Distribution business achieved revenue of \$300.7m in 1H2025, a decrease of 12.0% or \$41.0m, from \$341.7m in 1H2024.

The decrease in revenue for 1H2025 was mainly due to lower sales volume during 1H2025 and the depreciation of United States dollar ("USD") against Singapore dollar ("SGD") which impacted on USD-denominated transactions in 1H2025.

PCB Division

Revenue in this Division decreased by 58.9% or \$465,000, from \$790,000 in 1H2024 to \$325,000 in 1H2025. The decrease in revenue was mainly due to closure of the factory in 1H2025 and disposal of all mechanical drilling machines in Singapore in year 2024.

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1.2 PROFIT BEFORE TAX (“PBT”)

The Group registered a PBT of \$17.1m in 1H2025, as compared to \$20.8m in 1H2024.

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

- (a) A decrease in gross profit of \$7.5m mainly due to the decrease in revenue and increase in allowance for inventory obsolescence of \$1.7m from \$720,000 in 1H2024 to \$2.4m in 1H2025 based on the review of inventory obsolescence performed in 1H2025;
- (b) An increase in finance costs of \$1.5m mainly due to the increase in interest expense for the time value of money associated with the contractual terms of trade payables; and
- (c) An increase in net foreign exchange loss of \$652,000 from \$19,000 in 1H2024 to \$671,000 in 1H2025 mainly due to the depreciation of United States dollar against Singapore dollar and local currencies in 1H2025. Excluding net foreign exchange differences, the Group's PBT would be \$17.7m in 1H2025, compared to a PBT of \$20.8m in 1H2024.

The decrease in PBT was however offset by the following:

- (d) An increase in interest income by \$2.1m from \$1.5m in 1H2024 to \$3.6m in 1H2025, mainly due to the increase in interest income for the time value of money associated with the contractual terms of trade receivables in 1H2025;
- (e) A reversal of allowance on third party trade receivables and contract assets of \$826,000 recognised in 1H2025, as compared to a loss allowance on third party trade receivables and contract assets of \$819,000 recognised in 1H2024, based on the impairment review performed as at 30 June 2025 in accordance to SFRS(I) 9;
- (f) A decrease in staff costs, commission and profit share by \$1.7m in 1H2025 as compared to 1H2024 mainly due to the decrease in headcount, revenue and PBT; and
- (g) A decrease in marketing and promotion expenses by \$287,000 in 1H2025 as compared to 1H2024 mainly due to decrease in marketing events and promotion activities.

1.3 PROFIT AFTER TAX (“PAT”)

In 1H2025, the Group achieved PAT of \$14.2m as compared to \$16.4m in 1H2024, mainly due to the decrease in PBT offset by the decrease in income tax expense. The decrease in income tax expense of \$1.6m from \$4.4m in 1H2024 to \$2.8m in 1H2025 was mainly due to the decrease in profit before tax in 1H2025.

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

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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 2025 compared to 31 December 2024.

- (a) **Property, plant and equipment** decreased by \$308,000 at the Group level mainly due to depreciation charge, disposal of plant and equipment and plant and equipment written off, net of purchases of plant and equipment in 1H2025. At the Company level, property, plant and equipment increased by \$57,000 due to purchases of plant and equipment, net of depreciation charge, disposal of plant and equipment and plant and equipment written off in 1H2025.
- (b) **Right-of-use assets** decreased by \$207,000 at the Group level mainly due to depreciation charge and lease termination, net of new long-term leases capitalised in 1H2025. At Company level, right-of-use assets decreased by \$89,000 due to depreciation charge and lease termination in 1H2025.
- (c) **Deferred tax assets** increased by \$463,000 at the Group level mainly due to increased deductible temporary difference in 1H2025 which the related tax benefits could be realised through future taxable profits. There was no deferred tax assets at Company level.
- (d) **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 decreased by \$262,000 at both the Group and the Company level due to currency revaluation loss, net of fair value gain in 1H2025.
- (e) **Cash and cash equivalents** at the Group level decreased by \$12.5m from \$83.8m to \$71.3m. The decrease was mainly due to payments made to suppliers and dividends paid to shareholders. At the Company level, cash and cash equivalents increased by \$3.3m from \$12.8m to \$16.1m mainly due to dividend received from a subsidiary, offset by dividends paid to shareholders and advances to a subsidiary.
- (f) **Trade and other receivables** of the Group decreased by \$18.5m from \$209.4m to \$190.9m, mainly due to decrease in revenue in 1H2025. At the Company level, trade and other receivables increased by \$11.6m from \$37.4m to \$49.0m mainly due to dividend receivable from a subsidiary, advances and expenses recharged to a subsidiary.
- (g) **Inventories** at the Group level decreased by \$18.6m from \$75.9m to \$57.3m mainly due to improved inventory turnover. At the Company level, inventories decreased by \$143,000 from \$150,000 to \$7,000 due to the closure of factory.
- (h) **Contract assets** decreased by \$660,000 from \$2.3m to \$1.7m at the Group level mainly due billings issued and decrease in revenue in 1H2025. There was no contract asset at the Company level.
- (i) **Current income tax recoverable** decreased by \$1.7m from \$6.7m to \$5.0m at the Group level mainly due to tax refund received in 1H2025. There was no current income tax recoverable at the Company level.

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1.4 STATEMENTS OF FINANCIAL POSITION REVIEW (Continued)

- (j) **Trade and other payables** decreased by \$41.1m from \$185.0m to \$143.9m at the Group level mainly due to payments made to suppliers in 1H2025. At the Company level, trade and other payables decreased by \$4.1m from \$7.9m to \$3.8m mainly due to accrued operating expenses paid in 1H2025.
- (k) **Contract liabilities** decreased by \$5.6m from \$28.6m to \$23.0m at the Group level mainly due to decrease in advance billings, deferred revenue and rebate to customers.
- (l) **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. Provision for post-sales technical support decreased by \$301,000 from \$25.2m to 24.9m at the Group level mainly due to the decrease in revenue.
- (m) **Lease liabilities** decreased by \$416,000 from \$2.2m to \$1.8m at the Group level mainly due to lease payments made, net of new long-term leases capitalised in 1H2025. At the Company level, lease liabilities decreased by \$100,000 from \$100,000 to \$Nil due to lease payments made and lease termination.
- (n) **Foreign currency translation account** increased by \$5.8m from \$465,000 to \$6.3m at the Group level mainly due to depreciation of United States dollar against Singapore dollar.

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1.5 CASH FLOW ANALYSIS

Net cash of \$5.4m was generated from operating activities in 1H2025, as compared to net cash of \$5.8m used in 1H2024. This was mainly due to decrease in trade and other receivables, net of decrease in profit before income tax and increase in payments made to suppliers.

Net cash of \$397,000 was used in investing activities in 1H2025, as compared to \$105,000 generated from investing activities in 1H2024. The change was mainly due to purchase of plant and equipment of \$256,000 and additions to right-of-use assets of \$211,000 net of proceeds from disposal of plant and equipment of \$70,000 in 1H2025, as compared to proceeds from disposal of plant and equipment of \$498,000 net of purchase of plant and equipment of \$393,000 in 1H2024.

Net cash of \$14.3m was used in financing activities in 1H2025, as compared to net cash of \$15.8m used in 1H2024. This was mainly due to dividends paid of \$12.8m, repayment of lease liabilities of \$382,000 and payment of interest of \$1.1m in 1H2025, as compared 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.

Cash and cash equivalents stood at \$71.2m as at 30 June 2025, up from \$52.4m as at 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 experienced a year-on-year revenue decrease of 12.0% in 1H2025 over the corresponding period in year 2024. The decrease in revenue was mainly due to lower sales volume during 1H2025 and the depreciation of United States dollar ("USD") against Singapore dollar ("SGD") which impacted on USD-denominated transactions in 1H2025. With the current inflation, geo-political conflicts and uncertainties arising from the tariffs imposed by the US, 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.

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. 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 2025, the Group's IT business had a presence in 24 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, geo-political conflicts and the tariffs imposed by the US, 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 58.9% in 1H2025 over the corresponding period in year 2024. The decrease in revenue was mainly due to closure of the factory in 1H2025 and disposal of all mechanical drilling machines in Singapore in year 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 allowance where necessary.

The Group is also exposed to credit risk from credit sales to resellers. The Group sets the policy to assess the credit risk of new customers before entering contracts and also performs regular review for existing customers. The Group assesses expected credit losses on a quarterly basis.

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, Thai baht, Malaysian ringgit, Indian rupee, Indonesian rupiah, Taiwan dollar, Hong Kong dollar, Philippines peso, and to a lesser extent, Korean won, Japanese yen, Vietnamese 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 countries 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

No forecast or prospect statement has been previously disclosed to shareholders.

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 2024. 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.

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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.

Not applicable.

9. Dividends

(a) Current Financial Period Reported On

Name of Dividend	2025 Interim Ordinary Tax Exempt – 1-Tier	2025 Total
Dividend Type	Cash	Cash
Dividend Amount (Cents Per Share)	11.10	11.10

(b) Dividend for financial period ended 30 June 2024

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

(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 19 September 2025. The record (entitlement) date and time will be on 8 September 2025 at 5:00 p.m. and the book closure date will be on 9 September 2025.

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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
8 August 2025

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 2025 to be false or misleading in any material aspects.

On behalf of the Board of Directors

Foo Suan Sai
Chief Executive Officer
Singapore, 8 August 2025

Han Juat Hoon
Chief Operating Officer
Singapore, 8 August 2025