



Multi-Chem Limited

(Incorporated in Singapore. Registration Number: 198500318Z)

Interim Financial Statements

For The Financial Period From 1 January 2008 To 31 March 2008

Multi-Chem Limited

Registration No. 198500318Z

Interim Financial Statements

For the financial period from 1 January 2008 to 31 March 2008

CONSOLIDATED INCOME STATEMENT

Group	3 months ended		
	31/03/2008 \$'000	31/03/2007 \$'000	Change %
Sales	34,320	28,435	21
Cost of sales	(26,634)	(21,510)	24
Gross profit	7,686	6,925	11
Other losses - net	(175)	(231)	(24)
Expenses			
- Distribution and marketing	(1,006)	(803)	25
- Administrative	(4,642)	(3,281)	41
Finance income - net	1,304	200	552
Share of results from associated company	(53)	(85)	(38)
Profit before income tax	3,114	2,725	14
Income tax expense	(590)	(854)	(31)
Net profit	<u>2,524</u>	<u>1,871</u>	<u>35</u>
Attributable to:			
Equity holders of the Company	2,418	1,726	40
Minority interests	106	145	(27)
	<u>2,524</u>	<u>1,871</u>	<u>35</u>
Earnings per share attributable to the equity holders of the Company during the financial period (expressed in cents per share)			
- Basic	<u>0.67 Cents</u>	<u>0.48 cents</u>	
- Diluted	<u>0.67 Cents</u>	<u>0.47 cents</u>	

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CONSOLIDATED INCOME STATEMENT

The profit before income tax includes the following credits less (charges):

Group	3 months ended		
	31/03/2008	31/03/2007	Change
	\$'000	\$'000	%
Other income - net	95	117	(18)
Interest income	17	84	(80)
Interest on borrowings	(220)	(321)	(31)
Foreign exchange gain - borrowings	1,524	521	193
Finance income - net	1,304	200	552
Depreciation	(2,792)	(2,943)	(5)
(Provision for)/write back for impairment of receivables	(509)	163	(412)
Bad debts (written off)/recovered	(1)	26	(104)
Allowance for inventory obsolescence	(389)	(43)	805
Foreign exchange loss - others	(321)	(448)	(28)
Gain on disposal of property, plant and equipment	34	17	98

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BALANCE SHEET

\$'000	Group		Company	
	31/03/2008	31/12/2007	31/03/2008	31/12/2007
Current assets				
Cash and cash equivalents	8,417	10,676	2,202	522
Trade and other receivables	42,128	46,338	23,586	34,391
Inventories	7,117	9,664	984	1,503
Other current assets	1,410	1,384	608	609
	<u>59,072</u>	<u>68,062</u>	<u>27,380</u>	<u>37,025</u>
Non-current assets				
Other non-current assets	127	127	-	-
Investment in an associated company	1,564	1,618	1,050	1,050
Investments in subsidiaries	-	-	64,189	64,045
Property, plant and equipment	82,646	85,639	15,165	14,601
Deferred income tax assets	59	16	-	-
	<u>84,396</u>	<u>87,400</u>	<u>80,404</u>	<u>79,676</u>
Total assets	<u>143,468</u>	<u>155,462</u>	<u>107,784</u>	<u>116,721</u>
Current liabilities				
Trade and other payables	20,944	26,629	8,559	9,326
Current income tax liabilities	2,204	2,029	690	609
Borrowings	30,521	35,842	29,720	34,842
	<u>53,669</u>	<u>64,500</u>	<u>38,969</u>	<u>44,777</u>
Non-current liabilities				
Borrowings	8,757	11,862	8,757	11,862
Deferred income tax liabilities	549	546	531	527
	<u>9,306</u>	<u>12,408</u>	<u>9,288</u>	<u>12,389</u>
Total liabilities	<u>62,975</u>	<u>76,908</u>	<u>48,257</u>	<u>57,166</u>
NET ASSETS	<u>80,493</u>	<u>78,554</u>	<u>59,527</u>	<u>59,555</u>
Share capital and reserves				
Share capital	37,288	37,288	37,288	37,288
Other reserves	(2,056)	(1,461)	-	-
Retained earnings	42,883	40,465	22,239	22,267
Total attributable to equity holders of the company	<u>78,115</u>	<u>76,292</u>	<u>59,527</u>	<u>59,555</u>
Minority interests	2,378	2,262	-	-
Total equity	<u>80,493</u>	<u>78,554</u>	<u>59,527</u>	<u>59,555</u>

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CONSOLIDATED CASHFLOW STATEMENT

S\$'000	3 months ended	
	31/03/2008	31/03/2007
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit	2,524	1,871
Adjustments for:		
- Income tax expense	590	854
- Depreciation of property, plant and equipment	2,792	2,943
- Interest expenses	220	321
- Currency exchange gain on borrowings	(1,524)	(521)
- Interest income	(17)	(84)
- Gain on disposal of property, plant and equipment	(34)	(17)
- Share of results from an associated company	54	85
- Unrealised currency exchange losses - net	248	448
Operating profit before working capital changes	4,853	5,900
Change in operating assets and liabilities		
- Inventories	2,547	(3,093)
- Trade and other receivables	4,210	(1,119)
- Other current assets	(27)	(196)
- Trade and other payables	(5,685)	2,594
	1,045	(1,814)
Cash generated from operating activities	5,898	4,086
Interest received	17	84
Income tax paid	(460)	(424)
Net cash provided by operating activities	5,455	3,746

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CONSOLIDATED CASHFLOW STATEMENT

S\$'000	3 months ended	
	31/03/2008	31/03/2007
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(570)	(3,489)
Purchase of club memberships	-	(38)
Proceeds from disposals of property, plant and equipment	193	199
Net cash used in investing activities	<u>(377)</u>	<u>(3,328)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from bills payable	-	2,609
Repayments of finance lease liabilities	(56)	(72)
Repayments of bank borrowings	(6,845)	(1,266)
Repayments of bills payable	-	(5,937)
Interest paid	<u>(220)</u>	<u>(295)</u>
Net cash used in financing activities	<u>(7,121)</u>	<u>(4,961)</u>
Net change in cash and cash equivalents	(2,043)	(4,543)
Cash and cash equivalents at beginning of financial period	10,676	17,232
Effects of exchange rate changes on cash and cash equivalents	<u>(216)</u>	<u>(54)</u>
Cash and cash equivalents at end of financial period	<u>8,417</u>	<u>12,635</u>

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STATEMENTS OF CHANGES IN EQUITY**Group****Attributable to equity holders of the Company**

	Share capital \$'000	Other reserves \$'000	Retained earnings \$'000	Total \$'000	Minority interests \$'000	Total equity \$'000
Balance at 1 January 2008	37,288	(1,461)	40,465	76,292	2,262	78,554
Net loss recognised directly in equity						
- Currency translation differences	-	(595)	-	(595)	-	(595)
Net profit for the financial period	-	-	2,418	2,418	106	2,524
Total recognised (losses)/gains for the year	-	(595)	2,418	1,823	106	1,929
Adjustment to prior year MI figure	-	-	-	-	10	10
Balance at 31 March 2008	37,288	(2,056)	42,883	78,115	2,378	80,493
Balance at 1 January 2007	36,559	(1,534)	24,881	59,906	1,410	61,316
Net loss recognised directly in equity						
- Currency translation differences	-	220	-	220	-	220
Net profit for the financial period	-	-	1,726	1,726	145	1,871
Total recognised (losses)/gains for the year	-	220	1,726	1,946	145	2,091
Conversion of convertible notes	729	(49)	-	680	-	680
Balance at 31 March 2007	37,288	(1,363)	26,607	62,532	1,555	64,087

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STATEMENTS OF CHANGES IN EQUITY

Company	Share capital \$'000	Other reserves \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 1 January 2008	37,288	-	22,267	59,555
Net profit for the financial period	-	-	(27)	(27)
Balance at 31 March 2008	37,288	-	22,240	59,528
Balance at 1 January 2007	36,559	221	9,897	46,677
Net profit for the financial period	-	-	1,550	1,550
Conversion of convertible notes	729	(49)	-	680
Balance at 31 March 2007	37,288	172	11,447	48,907

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REVIEW OF PERFORMANCE OF THE GROUP

REVENUE

The Group achieved revenue of \$34.3m for the three months ended 31 March 2008 ("1Q20078"), an increase of 20.7% or \$5.6m compared to the revenue of \$28.4m for the three months ended 31 March 2007 ("1Q2007"). The improvement in revenue performance was mainly due to the growth in the Group's IT distribution business.

Comparing 1Q2008 to three months ended 31 December 2007 ("4Q2007"), the Group revenue decreased by 10.1% or \$3.9m, from \$38.2m to \$34.3m. The Group experienced an overall slowdown in the manufacturing business in both Singapore and China in 1Q2008, in which the business of distributing PCB specialty chemicals and related products was also affected.

In 1Q2008, the manufacturing service business accounted for about 32% of Group revenue, while the distribution business, comprising the distribution of PCB-related materials and IT distribution, accounted for the remaining 68%.

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REVIEW OF PERFORMANCE OF THE GROUP

REVENUE

Manufacturing Service Division

Revenue in this Division increased marginally by 2.1% or \$223,000, from \$10.7m in 1Q2007 to \$10.9m in 1Q2008, mainly due to the growth of our mechanical and laser manufacturing services in China, which more than offset the overall slowdown in the manufacturing business in Singapore.

The Group's drilling service business in China recorded revenue of \$8.4m in 1Q2008, an increase of 23.9% or \$1.6m from \$6.8m in 1Q2007. Laser drilling business alone contributed 78% of the growth as the revenue from the laser business increased from \$138,000 in 1Q2007 to \$1.4m in 1Q2008. The Group has since added 10 new laser machines from 6 in 1Q2007 to 16 in 1Q2008 to meet the increase in demand. The better performance was also due to a more diverse customer base in China, an increase in the Group's mechanical drilling capacity from an average of 162 mechanical drilling machines in 1Q2007 to 253 in 1Q2008 as well as higher efficiency from more advanced machines.

In contrast to the growth in China, drilling services for Singapore decreased by 35.7% or \$1.4m, from \$3.9m in 1Q2007 to \$2.5m in 1Q2008.

Comparing 1Q2008 to 4Q2007, revenue in this Division decreased by 34.5% or \$5.8m from \$16.7m in 4Q2007 to \$10.9m in 1Q2008 as the first quarter is traditionally a slow quarter for PCB producers due to the Chinese New Year Festival.

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REVIEW OF PERFORMANCE OF THE GROUP

Distribution Division

The Group achieved a strong revenue growth of 31.9% or \$5.7m, from \$17.7m in 1Q2007 to \$23.4m in 1Q2008 for the Distribution Division. Comparing 1Q2008 to 4Q2007, revenue increased by 8.8% or \$1.9m from \$21.4m to \$23.4m. The increase in revenue was contributed by growth in the IT business, offset by the decrease in revenue from the distribution of PCB specialty chemicals and related products.

PCB

Revenue derived from the distribution of PCB specialty chemicals and related materials dropped by 13.9% from \$1.5m in 1Q2007 to \$1.3m in 1Q2008. Comparing 1Q2008 to 4Q2007, this business decreased by 32.3% or \$615,000 from \$1.9m in 4Q2007. The performance of the PCB distribution remained weak and is in line with the performance of the manufacturing service division.

IT

The IT distribution business reported an increase in revenue of 36.2% or \$5.9m from \$16.2m in 1Q2007 to \$22.1m in 1Q2008. This Division achieved a record quarterly revenue of \$22.1m in 1Q2008, which was an increase of 12.8% or \$2.5m, from the revenue of \$19.6m in 4Q2007.

The growth in this business was largely due to the addition of several products and the expansion of the regional businesses. The Group's India operations which commenced operations for less than a year also contributed to the revenue. The addition to sales and pre-sales personnel and new products to the Group's product portfolio also played a part in the revenue growth.

While Singapore remains the main market for the IT business in 1Q2008, the regional subsidiaries of the Company are as a whole becoming more significant through expansion. In 1Q2008, revenue from regional markets increased by 49% or \$4.8m, from \$9.7m in 1Q2007 to \$14.5m in 1Q2008.

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REVIEW OF PERFORMANCE OF THE GROUP

PROFIT BEFORE TAX (“PBT”)

The Group achieved a PBT of \$3.1m in 1Q2008, an increase of 13.0% or \$354,000 over the PBT of \$2.7m achieved in 1Q2007.

The increase in PBT was mainly due to higher revenue in 1Q2008 and foreign exchange gain in borrowings of \$1.5m in 1Q2008 as compared to \$521,000 in 1Q2007 mainly due to effect on the weaker US dollar on USD borrowings.

The increase in PBT was offset by the following:

- (1) Gross profit margin decreased by 2 percentage points from the average of 24% in 1Q2007 to 22% in 1Q2008 mainly due to decrease in the higher value manufacturing business in 1Q2008 and provision for inventory impairment of \$389,000 in 1Q2008 as compared to \$43,000 in 1Q2007. The provision for inventory impairment relates to the IT stock, in line with the Group’s inventory provision policy; and
- (2) Provision for impairment of receivables of \$509,000 in 1Q2008 as compared to write back of impairment of receivables of \$163,000 in 1Q2007; and
- (3) An increase in payroll-related expenses of \$454,000 from \$2.8m in 1Q2007 to \$3.2m in 1Q2008 due mainly to higher headcount from the expansion of the regional businesses.

Comparing 1Q2008 to 4Q2007, the Group PBT decreased from \$8.0m to \$3.1m which was mainly due to the lower revenue and gross profit attained by the manufacturing service business in both Singapore and China.

PROFIT AFTER TAX (“PAT”)

Group PAT increased by 34.9% or \$653,000, from \$1.9m in 1Q2007 to \$2.5m in 1Q2008. Comparing 1Q2008 to 4Q2007, PAT decreased by 63.4% or \$4.4m, from \$6.9m to \$2.5m. These were largely in line with the changes in Group PBT.

Provision for tax comprised mainly income tax and deferred tax of the Company and its subsidiaries. Multi-Chem Electronics (Kunshan) Co., Ltd. currently enjoy tax-free status on profits while Multi-Chem Laser Technology (Suzhou) Co., Ltd. and Multi-Chem Electronics (Wuxi) Co., Ltd. enjoys tax-free status on 50% of its profits.

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BALANCE SHEET REVIEW

Below is a review of material changes in the key balance sheet items for the year period ended 31 March 2008.

Cash and cash equivalents at the Group level decreased from \$10.7m to \$8.4m, mainly due to repayments of convertible notes and short term borrowings. At the Company level, cash and cash equivalents increased from \$522,000 to \$2.2m, mainly due to collections from amount owing from subsidiaries and collections from a customer for the sales of fixed assets transacted in 2007.

Trade and other receivables of the Group decreased from \$46.3m to \$42.1m. At the Company level, trade and other receivables decreased from \$34.4m to \$23.6m. The changes were in line with the lower revenue attained in 1Q2007 compared to 4Q2007, at both the Group and Company level.

Inventories at the Group level decreased from \$9.7m to \$7.1m mainly due to lower stock holdings for the manufacturing division which was in line with the lower sales and provision for slower moving inventory amounting to \$389,000 on the IT stock.

Investment in an associated company decreased by \$54,000 which was mainly due to the share of losses in 1Q2008. There was no change at the Company level as the investment was accounted for at cost, as opposed to the equity method at Group level.

Property, plant and equipment decreased from \$85.6 m to \$82.6m at the Group level and increased from \$14.6m to \$15.2m at the Company level. The changes at the Group level were mainly due to depreciation charges in 1Q2008. The changes at the Company level were mainly due to transfer of 4 drilling machines from a subsidiary in China.

Trade and other payables decreased from \$26.6m to \$19.7m at the Group level and from \$9.3m to \$8.6m at the Company level. The decrease in payables was mainly due to prompt payment to suppliers.

Bills payable to banks decreased from \$22.9m to \$21.8m at both the Group and Company levels mainly due to repayment in 1Q2008.

Borrowings decreased at both the Group and Company levels mainly due to repayment of bank borrowings, convertible notes and finance leases.

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CASH FLOW ANALYSIS

The Group generated a net cash of \$4.3m from operating activities in 1Q2008, an increase of \$507,000, from \$3.7m in 1Q2007. This was mainly due to the higher profit after tax achieved in 1Q2008 and the decrease of inventories and trade and other receivables which was in line with the lower revenue in 1Q2008 compared to 4Q2007.

Net cash of \$377,000 was used in investing activities in 1Q2008 as compared to net cash used of \$3.3m 1Q2007. The Group invested \$3.5m in the purchase of machinery in 1Q2007 as compared to \$570,000 in 1Q2008, partly financed by bills payable. The net cash used was net of proceeds from disposal of property, plant and equipment (mainly the older productive equipment) of \$199,000.

Net cash of \$5.9m was used in financing activities in 1Q2008, a decrease of \$958,000 from \$5.0m in 1Q2007. The cash used in 1Q2008 was mainly due to the repayment of borrowings, net of proceeds from bills payables.

Cash and cash equivalent stood at \$8.4m as at end of 31 March 2008, decrease from \$12.6m as at end of 31 March 2007.

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COMMENTARY ON CURRENT YEAR PROSPECTS

PCB

While the Group recorded a strong performance in 2007 for its PCB-related business due primarily to a buoyant electronics sector in China, there was a noticeable slowdown in this business in 1Q2008 as both the China and Singapore operations faced weak demand in the Group's outsourced services. This was partly attributable to the first quarter of the year being traditionally a slow quarter for PCB producers due to Chinese New Year Festival.

In the US, the North American PCB industry book-to-bill ratio registered at 0.99 for Feb 2008, indicating near term stability. A ratio of more than 1.00 suggests current demand is ahead of supply, which indicates probably near term growth. The converse is true if the ratio is less than 1.00.

In addition to its leading position in Singapore, the Group is also currently the leading PCB drilling and routing service provider in terms of capacity and technology in Eastern China. The Group currently has five production facilities in China located in the Suzhou, Kunshan and Wuxi regions of the Jiangsu province and one in Singapore to cater to the outsourcing needs of its customers. Its China facilities include a second production facility in Kunshan which was set up in August 2007. This production facility enables the Group to support its customers in the Kunshan area with a faster turnaround time due to proximity.

The PCB-related business of the Group is dependent on the overall electronics cycle. With a wider customer base and the available capacity, the Group is well poised to meet any increase in demand for the services we provide. Correspondingly, the Group is vulnerable to any downturn in demand from customers in its areas of operation.

As at 31 March 2008, the Group has 312 CNC drilling machines, 16 laser drilling machines and 60 routing machines. Included in the Group's machines currently are 131 drilling machines capable of drilling at speeds of 200,000 rpm, which can achieve higher accuracy for micro vias, particularly for hole-sizes of 0.2mm and below.

In the area of distribution of PCB-related products, the performance of the Group is tied to the orders from its existing customers in South East Asia. Any growth will be dependent on the increase in orders from such existing customers. The Group will continue to face price reduction pressure from these customers and price competitiveness also remains a challenge.

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COMMENTARY ON CURRENT YEAR PROSPECTS

IT

The IT business has seen good growth since its inception in May 2002 and achieved another record quarter in revenue in 1Q2008 of \$22.1m, a growth of 36% from 1Q2007.

The Group has a focus 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 Nokia, Check Point, Bluecoat, Citrix, Foundry Networks, NetApp, Riverbed, RSA Security and TippingPoint.

To promote technical competency internally and to train its partners, the Group started to provide certified IT training through M.Tech Training Centre Pte Ltd, which is authorised to conduct training for Nokia, Check Point, RSA, TippingPoint and Blue Coat courses. The Group is also an authorised training provider for Nokia courses regionally. 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 2008, the Group's IT business has a total of 18 offices in 9 countries, with a presence extending into Taiwan and westward into India. These new overseas offices are expected to make positive contribution to the Group's performance in FY2008. M.Tech offices in countries that are already mature in operations are expected to contribute more to the Group's performance.

In January 2008, M.Tech's headquarters in Singapore also consolidated its operations from two locations into a single location at Tradehub21. This is expected to result in greater efficiency in communications and result in operational cost savings.

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 it carries 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.

Reliance on IT has been growing and applications of IT are now not confined only to the business area. Governments around the region are also strong advocates of IT. With this higher reliance on IT comes the need for security.

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COMMENTARY ON CURRENT YEAR PROSPECTS

IT

The higher need for IT security also comes in the form of legislation such as the Sarbanes-Oxley Act of 2002 in the US, which has requirements for stringent internal controls, including IT controls. Following the lead from the US, Japan has also introduced J-SOX, effective for fiscal years beginning on or after 1 April 2008. J-SOX has similar requirements for internal controls, including a section on IT support, which was added as an internal control element to reflect the importance of the IT environment to effective internal control.

With the standards imposed by the corporations themselves or by legislation, the needs for IT security are expected to grow. Also, as economies mature and awareness grows, an increasing amount of the total IT budget is expected to be incurred for IT security. These developments can only augur well for the Group.

Despite the Group's bright long term outlook in the IT business, events such as those political or economic in nature which are beyond our control could affect business in certain markets. However, the Group is diversified across markets and is expected to be better able to mitigate such impact than if it were in a single market.

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Risk Factors

The Group's primary business risk 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 debts closely as collection of accounts receivable generally takes longer in China.

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 which the Group is operating in.

We are also exposed to foreign exchange risks as we mainly transact with our suppliers, vendors and customers in Singapore dollars, US dollars, Chinese renminbi, and to a lesser extent, European euro, Thailand baht, Malaysia ringgit, Indonesia rupiah, Philippines peso, Hong Kong dollars and India Rupee. The Company may, from time to time, enter into borrowing and foreign exchange arrangements as currency hedges.

In the area of IT distribution, the Group is subject to risk of reliance on a few key vendors, in respect of their channel strategies, as well as product roadmap. The Group is also exposed to the risks of product obsolescence in respect of 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 stock on a quarterly basis and will make provisions 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 results for 1Q2008 were in line with the prospect statements disclosed to the shareholders on 29 January 2008, that the 1Q2008 is not expected to be better than 4Q2007 and any turnaround is only expected to happen after 1Q2008.

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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 08		As at 31 Dec 07	
Secured	Unsecured	Secured	Unsecured
231,000	31,492,000	231,000	35,611,000

Amount repayable after one year

As at 31 Mar 08		As at 31 Dec 07	
Secured	Unsecured	Secured	Unsecured
746,000	8,011,000	803,000	11,059,000

Additional information and details of any collateral

The finance leases are secured on the Group's eight drilling machines.

Note: The unsecured amount as at 31 Dec 2007 includes convertible notes of USD1,500,000 (SGD equivalent: \$2,434,000)

2. SHARE CAPITAL

Group	Issued shares '000	Share capital \$'000	Total share capital \$'000
Balance at 1 January 08	360,381	37,288	37,288
Share issue pursuant to conversion of convertible notes	-	-	-
Balance at 31 March 2008	360,381	37,288	37,288
Balance at 1 January 07	356,981	36,559	36,559
Share issue pursuant to conversion of convertible notes	3,400	729	729
Balance at 31 March 2007	360,381	37,288	37,288

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NOTES TO THE FINANCIAL STATEMENTS

3. ACCOUNTING POLICIES

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 2007. 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.

4. OTHER INFORMATION

The figures presented in the announcement have not been audited or reviewed by our auditors.

5. EARNINGS PER ORDINARY SHARE

Group	3 months ended	
	31-Mar-08	31-Mar-07
Earnings per share attributable to the equity holders of the Company during the period (expressed in cents per share)		
(i) Based on weighted average number of shares	0.67 cents	0.48 cents
- Weighted average number of shares ('000)	360,381	358,643
(ii) On fully diluted basis	0.67 cents	0.47 cents
- Adjusted weighted average number of shares ('000)	360,381	370,643

6. NET ASSET VALUE

	Group		Company	
	31-Mar-08	31-Dec-07	31-Mar-08	31-Dec-07
Net asset value per share based on existing issued share capital as at the respective period	21.68 cents	21.17 cents	16.52 cents	16.53 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 360,381,000 ordinary shares.

Multi-Chem Limited

Registration No. 198500318Z

Interim Financial Statements

For the financial period from 1 January 2008 to 31 March 2008

7. DIVIDEND

(a) Current Financial Period Reported On

No dividend has been declared/ recommended for 1Q2008.

(b) Dividend for financial year ended 31 December 2007

Name of dividend	Summary of dividend proposed per share	Amount \$'000	Payment date
Final	Tax exempt (one-tier) dividend of 0.83 cents per ordinary share	3,000	23 May 2008

BY ORDER OF THE BOARD

Foo Suan Sai
Chairman and Chief Executive Officer
22 April 2008

Negative assurance confirmation on interim financial results under SGX Listing Rule 705(4) 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 their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the 1Q2008 financial results to be false or misleading in any material aspects.

On behalf of the Board of Directors

Foo Suan Sai
Chairman and Chief Executive Officer
Singapore, 22 April 2008

Han Juat Hoon
Chief Operating Officer
Singapore, 22 April 2008