



Multi-Chem Limited

(Incorporated in Singapore. Registration Number: 198500318Z)

Interim Financial Statements

For The Financial Period Ended 31 March 2006

Multi-Chem Limited

Registration No. 198500318Z

Interim Financial Statements

For the financial period ended 31 March 2006

CONSOLIDATED INCOME STATEMENT

Group	3 months ended		
	31-Mar-06	31-Mar-05	Change
	\$'000	\$'000	%
Revenue	22,100	14,218	55
Cost of sales	(14,006)	(10,215)	37
Gross profit	8,094	4,003	102
Other gains - net	318	95	235
Expenses			
- Distribution and marketing	(610)	(406)	50
- Administrative	(2,187)	(1,720)	27
- Others	(589)	(41)	1,337
- Finance	(36)	(27)	33
Share of profits of associated company	9	34	(74)
Profit before income tax	4,999	1,938	158
Income tax expense	(614)	(395)	55
Net profit	4,385	1,543	184
Attributable to:			
Equity holders of the Company	4,292	1,481	190
Minority interests	93	62	50
	4,385	1,543	184
Earnings per share for profit attributable to the equity holders of the Company during the period (expressed in cents per share)			
Basic	1.20 cents	0.47 cents	
Diluted	1.19 cents	0.45 cents	

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The profit for the period from continuing operations includes the following credits less (charges):

Group	3 months ended		
	31-Mar-06 \$'000	31-Mar-05 \$'000	Change %
Other income	63	78	(19)
Interest income	34	9	278
Interest on borrowings	(36)	(27)	33
Depreciation	(1,907)	(1,807)	6
Write back/(provision) for impairment of debts - net	5	(89)	(106)
Bad debts (written off)/recovered	(145)	8	(1,913)
Reversal of inventory write down	8	29	(72)
Foreign exchange gain	278	4	6,850
Gain on disposal of property, plant and equipment	83	85	(2)

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BALANCE SHEET

	Group		Company	
	31-Mar-06 \$'000	31-Dec-05 \$'000	31-Mar-06 \$'000	31-Dec-05 \$'000
Current assets				
Cash and cash equivalents	7,529	5,446	4,214	2,467
Trade and other receivables	23,339	24,689	10,272	12,403
Inventories	5,147	4,133	1,587	1,619
Other current assets	661	646	153	155
	36,676	34,914	16,226	16,644
Non-current assets				
Club memberships	129	132	-	-
Investment in an associated company	1,862	2,084	1,050	1,050
Investments in subsidiaries	-	-	30,347	30,347
Property, plant and equipment	47,903	48,019	16,827	16,445
	49,894	50,235	48,224	47,842
Total assets	86,570	85,149	64,450	64,486
Current liabilities				
Trade and other payables	11,489	11,870	5,228	4,870
Current income tax liabilities	1,680	1,457	995	957
Bills payable to banks	7,193	9,022	7,193	9,022
Borrowings	1,014	1,059	202	228
	21,376	23,408	13,618	15,077
Non-Current liabilities				
Borrowings	5,140	5,386	4,530	4,555
Deferred income tax liabilities	798	732	795	725
	5,938	6,118	5,325	5,280
Total liabilities	27,314	29,526	18,943	20,357
NET ASSETS	59,256	55,623	45,507	44,129
EQUITY				
Capital and reserves attributable to the Company's equity holders				
Share capital and share premium	35,604	35,604	35,604	35,604
Other reserves	58	810	1,111	1,111
Retained earnings	22,778	18,486	8,792	7,414
	58,440	54,900	45,507	44,129
Minority interest	816	723	-	-
Total equity	59,256	55,623	45,507	44,129

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CONSOLIDATED CASHFLOW STATEMENT

S\$'000

3 months ended	
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31-Mar-06	31-Mar-05
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CASH FLOWS FROM OPERATING ACTIVITIES

Profit after income tax	4,385	1,543
Adjustments for:		
- Tax	614	395
- Gain on disposal of property, plant and equipment	(83)	(85)
- Depreciation	1,907	1,807
- Interest expense	36	27
- Interest income	(34)	(9)
- Share of results from associated company	(9)	(34)
Operating cash flow before working capital changes	6,816	3,644
Change in operating assets and liabilities		
- Inventories	(1,014)	77
- Trade and other receivables	1,350	(677)
- Other assets	(15)	(40)
- Trade and other payables	(381)	(829)
	(60)	(1,469)
Cash generated from operation	6,756	2,175
Interest received	34	9
Income tax paid	(328)	(284)
Net cash provided by operating activities	6,462	1,900

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S\$'000

3 months ended**31-Mar-06 31-Mar-05****CASH FLOWS FROM INVESTING ACTIVITIES**

Purchase of property, plant and equipment	(2,732)	(1,822)
Dividends from an associated company	230	25
Proceeds from disposals of property, plant and equipment	300	318
Proceeds from disposals of interest in a subsidiary	-	30
Net cash used in investing activities	<u>(2,202)</u>	<u>(1,449)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Repayment of lease liabilities	(51)	(25)
Repayments of borrowings	(239)	(203)
Repayments of bills payable - net	(1,829)	(871)
Interest paid	(36)	(27)
Proceeds from issuance of ordinary shares upon exercise of warrants	-	185
Net cash used in financing activities	<u>(2,155)</u>	<u>(941)</u>
Net increase/(decrease) in cash and cash equivalents	2,105	(490)
Cash and Cash Equivalents at Beginning of the Period	5,446	4,994
Effects of exchange rate changes on cash and cash equivalents	<u>(22)</u>	<u>(6)</u>
Cash and Cash Equivalents at End of the Period	<u><u>7,529</u></u>	<u><u>4,498</u></u>

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STATEMENTS OF CHANGES IN EQUITY

Group	Attributable to equity holders of the Company			Minority interest	Total equity
	Share capital and share premium	Other reserves	Retained earnings		
	\$'000	\$'000	\$'000		
Balance at 1 Jan 06	35,604	809	18,486	723	55,622
Net loss recognised directly in equity					
- Currency translation differences	-	(751)	-	-	(751)
Net profit for the period	-	-	4,292	93	4,385
Total recognised (losses)/gains for the period	-	(751)	4,292	93	3,634
Balance at 31 Mar 06	35,604	58	22,778	816	59,256
Balance at 1 Jan 05	27,461	2,032	15,425	515	45,433
Net loss recognised directly in equity					
- Currency translation differences	-	(12)	-	-	(12)
Net profit for the period	-	-	1,481	62	1,543
Total recognised (losses)/gains for the period	-	(12)	1,481	62	1,531
Issuance of shares pursuant to exercise of warrants	247	(62)	-	-	185
Issue of shares by a subsidiary	-	-	-	30	30
Balance at 31 Mar 05	27,708	1,958	16,906	607	47,179
Company	Attributable to equity holders of the Company			Total equity	
	Share capital and share premium	Other reserves	Retained earnings		
	\$'000	\$'000	\$'000		
Balance at 1 Jan 06	35,604	1,111	7,414	44,129	
Net profit for the period	-	-	1,378	1,378	
Balance at 31 Mar 06	35,604	1,111	8,792	45,507	
Balance at 1 Jan 05	27,461	3,147	10,112	40,720	
Issuance of shares pursuant to exercise of warrants	247	(62)	-	185	
Net profit for the period	-	-	704	704	
Balance at 31 Mar 05	27,708	3,085	10,816	41,609	

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REVIEW OF PERFORMANCE OF THE GROUP

REVENUE

The Group achieved revenue of \$22.1m for the three months ended 31 March 2006 ("1Q2006"). This was a significant year-on-year increase of 55.4% or \$7.9m, compared to revenue of \$14.2m for the three months ended 31 March 2005 ("1Q2005").

The revenue growth was achieved as the electronics business picked up in late March 2005 and remained strong through the rest of 2005 and in 1Q2006. This translated into strong revenue for the manufacturing service business. Additionally, the IT distribution business also saw strong revenue growth due to both product and regional expansion. In 1Q2006, the manufacturing service business accounted for about 51% of Group revenue, while the distribution business, comprising the distribution of PCB-related materials and IT distribution, accounted for the remaining 49%.

The strong revenue performance in 1Q2006 was, however, still a shade below an even more robust quarter for the three months ended 31 December 2005 ("4Q2005"). Comparing 1Q2006 to 4Q2005, revenue decreased marginally by 2.3% or \$498,000, from \$22.6m to \$22.1m.

Manufacturing Service Division

In 1Q2006, this Division achieved revenue of \$11.2m, a strong growth of 76.4% over revenue of \$6.4m achieved in 1Q2005. Riding on the strength of the electronics sector, the Group's manufacturing service business recovered from a weaker 1Q2005 and saw a surge in demand from the third quarter of 2005, which was sustained through 1Q2006 as demand for PCB remained strong for consumer electronics, PCs and handsets.

Revenue from mechanical and laser drilling grew by 73.0% or \$4.3m, from \$5.9m in 1Q2005 to \$10.2m in 1Q2006 and this accounted for 88% of the revenue growth in this Division. The higher demand for drilling service in 1Q2006 extends across both the Group's Singapore and China operations. While the pick up in demand for drilling service due to the more robust electronics environment was a main factor, the better performance was also due to a more diverse customer base in China and an increase in the Group's drilling capacity from an average of 137 mechanical drilling machines in 1Q2005 to 161 in 1Q2006, as well as higher efficiency from more advanced machines. The higher demand for drilling service resulted in the Group drilling more high density interconnect PCBs.

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REVIEW OF PERFORMANCE OF THE GROUP

REVENUE

Manufacturing Service Division

The strong electronics sector also resulted in higher demand for our PCB routing service in both Singapore and China. This, coupled with an increase of routing capacity from an average of 20 routing machines in 1Q2005 to an average of 38 routing machines in 1Q2006, resulted in revenue from the routing business growing by 143.4% or \$557,000, from \$389,000 to \$946,000.

Comparing 4Q2005 to 1Q2006, revenue from the Manufacturing Service Division decreased marginally by 2.3% or \$261,000, from \$11.5m to \$11.2m. This marginal decrease is due more to a strong 4Q2005, rather than a weak 1Q2006. This is because traditionally, the first quarter of the year is usually not a strong quarter.

Distribution Division

The Group achieved a revenue growth of 38.5% or \$3.0m, from \$7.9m in 1Q2005 to \$10.9m in 1Q2006 for the Distribution Division. The increase in revenue is contributed by the growth in the IT business, offset by the marginal decrease in revenue from the distribution of PCB specialty chemicals and related products.

Comparing 4Q2005 to 1Q2006, revenue decreased marginally by 2.2% or \$239,000 from \$11.1m to \$10.9m.

PCB

Revenue from the distribution of PCB-related materials decreased by 4.9% or \$113,000, from \$2.3m in 1Q2005 to \$2.2m in 1Q2006. This was mainly due to a drop in business from one product line commencing September 2005 due to pricing issues.

Comparing 4Q2005 to 1Q2006, revenue in this segment decreased by 9.3% or \$225,000, from \$2.4m to \$2.2m. Despite a strong electronics sector, the business of distribution of PCB-related materials continues to face price reduction pressure from customers in 1Q2006, which resulted in the decrease in revenue.

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REVIEW OF PERFORMANCE OF THE GROUP

REVENUE

Distribution Division

IT

Revenue derived from distribution of IT products increased by 56.6% or \$3.1m, from \$5.5m in 1Q2005 to \$8.7m in 1Q2006. For 1Q2006 and 4Q2005, revenue remained unchanged at \$8.7m.

The growth in this business was largely due to the expansion of the regional businesses in Malaysia and Thailand, as well as further growth in the Singapore operations. Offices in China (Shanghai) and Indonesia (Jakarta), which were set up in 1Q2005, also contributed to the revenue for 1Q2006. The addition to sales and pre-sales personnel and new products to its portfolio also played a part in the revenue growth.

While the Singapore market remains as the main market, accounting for 48% of the IT business in 1Q2006, the regional markets are becoming more significant in 1Q2006 compared to 1Q2005. Revenue derived from the regional markets increased by 76.3% or \$1.9m, from \$2.6m in 1Q2005 to \$4.5m in 1Q2006.

PROFIT BEFORE TAX (“PBT”)

The Group achieved a PBT of \$5.0m in 1Q2006, compared to a PBT of \$1.9m in 1Q2005, showing a significant year-on-year growth of 157.9% or \$3.1m.

The increase in PBT is largely in line with the higher revenue and gross profit in 1Q2006. Additionally, foreign exchange gain increased from \$4,000 in 1Q2005 to \$278,000 in 1Q2006, mainly due to the weakening of US dollars.

The increase in PBT in 1Q2006 was offset by the following:

- (1) An increase in payroll-related expenses by \$809,000 or 69.0%, from \$1.2m in 1Q2005 to \$2.0m in 1Q2006, due mainly to provision for directors' share of profits, as provided for in their respective service agreements, higher headcount from the expansion of the regional businesses and higher commission from higher sales;

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REVIEW OF PERFORMANCE OF THE GROUP

PROFIT BEFORE TAX (“PBT”)

- (2) An increase of \$167,000 or 116.7% in travelling and transport expenses, from \$143,000 in 1Q2005 to \$310,000 in 1Q2006, mainly due to the on-going regional expansion.

Comparing 1Q2006 to 4Q2005, the Group PBT decreased by 9.1% or \$502,000, from \$5.5m to \$5.0m, which is in line with the quarter-on-quarter marginal decrease in revenue and gross profit.

PROFIT AFTER TAX (“PAT”)

Group PAT increased by 184.2% or \$2.8m from \$1.5m in 1Q2005 to \$4.4m in 1Q2006. On a sequential basis, Group PAT decreased from \$5.0m in 4Q2005 to \$4.4m in 1Q2006. These were largely in line with the changes in PBT.

Provision for tax comprised mainly income tax and deferred tax of the Company and its subsidiaries. Multi-Chem Laser Technology (Suzhou) Co., Ltd is currently enjoying tax-free status on profits while Multi-Chem (Suzhou) Co., Ltd and Multi-Chem Electronics (Wuxi) Co., Ltd are enjoying 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 three-month period ended 31 March 2006.

Cash and cash equivalents at the Group level increased from \$5.4m to \$7.5m. At the Company level, cash and cash equivalents increased from \$2.5m to \$4.2m. The increases at both the Group and Company level were mainly due to positive cashflow from working capital, net of repayments of bills payable.

Trade and other receivables of the Group decreased marginally from \$24.7m to \$23.3m which is in line with the decrease in revenue in 1Q2006 as compared to 4Q2005. The decrease at the Company level from \$12.4m to \$10.3m is mainly due to the repayment of amount owing by subsidiaries for the purchase of machineries.

Inventories at the Group level increased from \$4.1m to \$5.1m mainly due to the increase in IT stock of \$1.4m resulting from the growth of the IT business in Singapore and regionally.

Investment in an associated company decreased from \$2.1m to \$1.9m mainly due to dividends paid amounting to \$230,000. There is no change at the Company level as the investment is now accounted for at cost, as opposed to the equity method at Group level.

Property, plant and equipment decreased slightly from \$48.0m to \$47.9m at the Group level mainly due to addition of 6 units of new CNC drilling machines and 1 new routing machines for both the Singapore and China operations, offset by the sale of 2 units of used CNC drilling machines in China to third parties and the depreciation charged. The increase at the Company level from \$16.4m to \$16.8m was due to the addition of 2 units of new CNC drilling machines, net of depreciation charged in 1Q2006.

Trade and other payables increased from \$4.9m to \$5.2m at the Company level due mainly to the provision for directors' share of profits, as provided for in their respective service agreements. The decrease in payables at Group level from \$11.9m to \$11.5m was in line with the lower business volume in 1Q2006 as compared to 4Q2005.

Bills payable to banks decreased from \$9.0m to \$7.2m at both the Group and the Company level mainly due to repayment of \$3.6m in 1Q2006, offset by additional bills payable amounting to \$1.8m for financing the purchase of new machines in the same period.

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

CASHFLOW REVIEW

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Net cash of \$6.5m was generated from operating activities in 1Q2006, an improvement of \$4.6m, from \$1.9m in 1Q2005. This was mainly due to the higher profit after tax achieved in 1Q2006, as well as the reduction of trade and other receivables, notwithstanding the higher revenue achieved. The increase was offset by the higher inventory holdings due to the expansion of the IT distribution business and higher tax paid due to better profitability in the business.

Net cash of \$2.2m was used in investing activities in 1Q2006, up from \$1.4m in 1Q2005. About \$2.7m was invested in the purchase of machinery in 1Q2006, which was also partly financed by bills payable. This was offset by cash of \$530,000 in the form of dividends from an associated company and proceeds from disposal of property, plant and equipment, which the Group received from its investing activities.

Net cash of \$2.2m was used in financing activities in 1Q2006, up from \$941,000 in 1Q2005. Cash was used mainly in the net repayment of bills payable (used in financing the purchase of machinery), as well as repayment of lease liabilities, borrowings and interest.

Cash and cash equivalent stood at \$7.5m as at end of 31 March 2006, up from \$4.5m as at end of 31 March 2005.

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COMMENTARY ON CURRENT YEAR PROSPECTS

PCB

The Group witnessed a record year in 2005 in terms of revenue and profitability for its PCB-related business due very much to a buoyant electronics industry. The strength of the electronics business, which picked up momentum in 3Q2005, continued into 1Q2006. This bucks the trend of a traditionally slow first quarter and the business volume in 1Q2006, just some 2% lower, was not far off from 4Q2005. Outlook for the business remains positive with demand for PCBs for handsets, PCs and notebooks still strong.

In the US, the North American PCB industry book-to-bill ratio was 1.14 for February 2006. A ratio of more than 1.00 suggests current demand is ahead of supply, which indicates probable near term growth. In Singapore and China, while visibility is likely to be low beyond the second quarter, the outlook in 2006 remains positive compared to the post 2000 tech slump.

While the high oil prices could have a dampening effect in 2006, the effects have largely been muted so far in our area of business. As such, demand for our products and services continue to be strong, driven by the robust electronics sector. Inventory oversupply, when it occurs, also remains a risk to the Group.

The PCB-related business of the Group is very much dependent on the overall electronics cycle. With a better outlook, the customer base and the available capacity, the Group is poised to meet any increase in demand for the services we provide.

As at 31 March 2006, the Group had 163 CNC drilling machines, 5 laser drilling machines and 39 routing machines. Included in the Group's machines currently are 46 drilling machines capable of drilling at speeds of 200,000 rpm, which can achieve higher accuracy for micro vias, particularly for hole size of 0.2mm and below.

The Group has also completed its move to consolidate its drilling and routing operations previously housed in two separate rented factories into a single location in Suzhou. This new factory of about 8,700 sq m in built-up area, which was custom-built per the requirements of and leased back to Multi-Chem Suzhou by the developer, is expected to increase the efficiency of the operations.

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COMMENTARY ON CURRENT YEAR PROSPECTS

PCB

The Group will continue to serve the leading PCB manufacturers in Singapore and the Shanghai, Suzhou, Kunshan and Wuxi regions where it is currently the leading PCB drilling and routing service provider in terms of capacity and technology. Accordingly, the Group is poised to benefit from any additional capacity requirements of major PCB manufacturers based in those areas. The Group plans to further expand in China and is currently in the process of setting up a new wholly-owned subsidiary in Kunshan to support existing customers there.

The performance of the Group's PCB-related distribution business is tied to the demands of its existing customers in South East Asia. In a growing PCB market, this business is expected to continue to grow. However, growth is expected to be limited to the volumes and price reduction pressure from those customers. Price competitiveness also remains a challenge.

IT

For the IT distribution business, the Group, through the M.Tech group, will continue to focus on the best-of-breed internet security products. The Group now carries industry leading products from Nokia, Check Point, RSA Security, Netapp, TippingPoint, Allot, Foundry Networks, Sophos, Tripwire, ServGate, Bluesocket, SurfControl, PGP, Patchlink, nCipher and e-Security.

In addition to its current product business, the Group is also involved in providing certified IT training through M.Tech Training Centre Pte Ltd, which is authorised to conduct training for Nokia and Check Point. In China, the Group is an authorised training provider for Nokia courses. 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 2006, the Group's IT business has a total of 8 offices in 6 countries, with a presence extending to North Asia, following the commencement of its Shanghai operations in December 2004 and its Beijing operations in December 2005. These new overseas offices are expected to made positive contribution to the Group's performance in FY2006. The Group plans to start an office in Southern China within the next quarter.

The Group will continue to 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 intends to work closely with key partners to further promote the products we carry, including organizing marketing events, such as the upcoming SX06 in Singapore.

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COMMENTARY ON CURRENT YEAR PROSPECTS

IT

IT has become an integral part of doing business and awareness of IT has been growing. Reliance on IT has been growing exponentially and applications of IT are now not confined only to the business area but to homes and travels as well. With this higher reliance on IT comes the need for security because if IT fails, it might prove inconvenient for some but damaging for others. As economies mature, 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.

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.

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 and Malaysia ringgit. 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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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 06		As at 31 Dec 05	
Secured	Unsecured	Secured	Unsecured
202,000	8,005,000	228,000	9,853,000

Amount repayable after one year

As at 31 Mar 06		As at 31 Dec 05	
Secured	Unsecured	Secured	Unsecured
1,211,000	3,929,000	1,236,000	4,150,000

Additional information and details of any collateral

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

Note: The unsecured amount includes convertible notes of USD2,000,000 (SGD equivalent : \$3,319,000)

2. SHARE CAPITAL AND SHARE PREMIUM

Group	Authorised shares '000	Issued shares '000	Share capital \$'000	Share premium \$'000	Total share capital and share premium \$'000
Balance at 1 Jan 06	600,000	356,381	17,819	17,785	35,604
Effects of Companies (Amendment) Act 2005 (see note (a) below)	(600,000)	-	17,785	(17,785)	-
Balance at 31 Mar 06	-	356,381	35,604	-	35,604
Balance at 1 Jan 05	600,000	315,670	15,783	11,678	27,461
Issuance of shares pursuant to exercise of warrants	-	1,233	62	185	247
Balance at 31 Mar 05	600,000	316,903	15,845	11,863	27,708

(a) Under the Companies (Amendment) Act 2005 that came into effect on 30 January 2006, the concepts of par value and authorised share capital are abolished and the amount in the share premium account as of 30 January 2006 is required to become part of the company's share capital.

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NOTES TO THE FINANCIAL STATEMENTS

3. ACCOUNTING POLICIES

The same accounting policies and methods of computation as in the Group's most recently audited financial statements for the year ended 31 December 2005 have been applied.

4. OTHER INFORMATION

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

There was no variance between the actual performances for the period ended 31 March 2006 and the prospects provided in the financial statement announcement for the year ended 31 December 2005.

5. EARNINGS PER ORDINARY SHARE

Group	3 months ended	
	31-Mar-06	31-Mar-05
Earnings per share for profit attributable to the equity holders of the Company during the period (expressed in cents per share)		
- on weighted average number of shares	1.20 cents	0.47 cents
- on a fully diluted basis	1.19 cents	0.45 cents

- (a) The basic earnings per share for the 3 months ended 31 March 2006 and 31 March 2005 have been calculated based on the weighted average number of 356,381,000 and 316,903,000 ordinary shares respectively.
- (b) The fully diluted earnings per share for the 3 months ended 31 March 2006 and 31 March 2005 have been calculated based on the weighted average number of 359,537,000 and 329,180,000 ordinary shares respectively.

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NOTES TO THE FINANCIAL STATEMENTS

6. NET ASSET VALUE

	Group		Company	
	31-Mar-06	31-Dec-05	31-Mar-06	31-Dec-05
Net asset value per share based on existing issued share capital as at the respective period	16.40 cents	15.40 cents	12.77 cents	12.38 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 356,381,000 ordinary shares.

7. DIVIDEND

There is no dividend declared/recommended for the period ended 31 March 2006.

BY ORDER OF THE BOARD

Foo Suan Sai
Chairman and Chief Executive Officer
28 April 2006