



Multi-Chem Limited

(Incorporated in Singapore. Registration Number: 198500318Z)

PROFIT WARNING

The Board of Directors of Multi-Chem Limited (“Company”) wishes to inform that both the Company and the Group, comprising the Company and its subsidiaries, will incur a loss for 2008 as a result of the drastic slowdown in demand for electronic products, commencing from 3Q2008. This has led to a significant decrease in production volume of the Group’s manufacturing service business, a higher cost of production and squeeze of the gross profit margins. Given the high fixed costs of depreciation of laser and mechanical drilling machines, and routing machines, gross margin is particularly sensitive to changes in production volumes. Provision for impairment of idle machines may be necessary as well.

The Company plans to release its Full Year 2008 results on 29 January 2009 and further details of the performance of the Company and of the Group will be disclosed then.

By Order of the Board
Han Juat Hoon
Director

2 January 2009