

CHEMICAL INDUSTRIES (FAR EAST) LIMITED

Company Registration No.: 196200046K

DISPOSAL OF SUBSIDIARY, CHEM INTEGRATED MANAGEMENT PTE. LTD.

The Board of Directors ("**Board**") of Chemical Industries (Far East) Limited (the "**Company**") refers to its announcement dated 16 June 2020 in relation to the incorporation of a wholly-owned subsidiary, Chem Integrated Management Pte. Ltd. ("**CIMPL**"), with a paid-up share capital of S\$1 comprising of 1 ordinary share. CIMPL was intended to be the vehicle by which the Company would operate the business of treatment and disposal of waste (including remediation activities) and manufacture of water treatment, waste treatment and oilfield chemicals ("**Proposed Business**").

The Company had been in discussions with potential partners to operate the Business. However, having reviewed the proposed commercial terms of the Proposed Business, the Board has decided not to pursue the Proposed Business. In the circumstances, the Company no longer requires the subsidiary, CIMPL.

As CIMPL has already been incorporated and for expediency purposes, the party with whom the Company had been in discussions with has requested to take over CIMPL. Accordingly the Company has today entered into a sale and purchase agreement ("**Agreement**") with Jacob Tan (the "**Purchaser**") to sell 1 ordinary share ("**Sale Share**") in the capital of CIMPL, representing 100% of the issued and paid up share capital in CIMPL, to Jacob Tan for a consideration of S\$1 (the "**Consideration**"), satisfied in cash. Closing of the sale of the Sale Share took place today.

The transaction does not have any material impact on the net tangible assets per share or earnings per share of the Company for the current financial year.

None of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the above transaction (other than through their shareholdings in the Company).

BY ORDER OF THE BOARD

FOO SOON SOO
Company Secretary

15 October 2020