



CHEMICAL INDUSTRIES (FAR EAST) LIMITED.
化学工业(远东)有限公司

Company Registration No. : 196200046K

CHEMICAL INDUSTRIES TO SET UP JOINT-VENTURE IN MALAYSIA FOR THE STORAGE, DISTRIBUTION AND TRADING OF CHEMICALS - MOU SIGNED WITH MAY CHEMICAL SDN. BHD.

The Board of Directors of Chemical Industries (Far East) Limited ("CIL") wishes to announce that the Company has on 31 May 2018 signed a Memorandum of Understanding ("MOU") with May Chemical Sdn. Bhd. ("May Chemical"), a company incorporated in Malaysia, for the storage, distribution and trading of chemicals.

May Chemical is an established company that principally trades in all commercial and industrial chemicals within Malaysia and has a long business relationship with CIL that spans more than three decades. It is one of the largest independent traders and distributors in Malaysia (in terms of volume and range of chemicals) with its own logistics assets for the distribution of these chemicals.

Under the terms of the MOU, CIL and May Chemical will form a joint venture company in Malaysia, each contributing 50% in equity. The establishment of the joint venture company is to further the collaboration between both parties and is expected to be completed within 3 months.

The equity contribution of CIL will be funded by internal resources and the transaction is not expected to have any material impact on the net tangible assets and earnings per share of the Group for the current financial year ending 31 March 2019.

BY ORDER OF THE BOARD

FOO SOON SOO
Company Secretary

31 May 2018