CHEMICAL INDUSTRIES (FAR EAST) LIMITED.

COMPANY REGISTRATION NO. 196200046K

ANNUAL REPORT FOR THE YEAR ENDED 31ST MARCH

2019

CHEMICAL INDUSTRIES (FAR EAST) LIMITED.

REPORT AND FINANCIAL STATEMENTS

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Chairman and Managing Director
Lim Soo Peng, JP, BBM(L), BBM, PBM

Executive Director
Mr Lim Yew Khang Cecil
Mr Lim Yew Tee Collin

Non-Executive Independent Directors
Tay Kah Chye (Lead Independent Director)
Dr Wan Soon Bee
Lee Kia Jong Elaine

AUDIT COMMITTEE

Tay Kah Chye, Chairman
Dr Wan Soon Bee
Lee Kia Jong Elaine

NOMINATING COMMITTEE

Lee Kia Jong Elaine, Chairman
Tay Kah Chye
Dr Wan Soon Bee
Lim Soo Peng, JP, BBM(L), BBM, PBM

REMUNERATION COMMITTEE

Dr Wan Soon Bee, Chairman
Tay Kah Chye
Lee Kia Jong Elaine

COMPANY SECRETARY

Foo Soon Soo

REGISTRARS

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8 Robinson Road
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Singapore 048544
Tel: 65934848
Email: main@zicoholdings.com

REGISTERED OFFICE

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Singapore 629127
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Fax: 62656690
Email: chemical.ind@cil.sg

TOWN OFFICE

17 Upper Circular Road
#05-00 Juta Building
Singapore 058415
Tel: 65354884
Fax: 65344582
Email: jutaprop@singnet.com.sg

MANUFACTURING PLANT

91 Sakra Avenue
Singapore 627882
Tel: 68676977
Fax: 68676972

SUBSIDIARY COMPANIES

Chem Transport Pte Ltd
Kimia Trading Pte. Ltd.
Juta Properties Private Limited
Chemical Industries (Myanmar) Limited
JPII Investments Pte Ltd

PRINCIPAL BANKERS

DBS Bank Ltd
KBC Bank N.V.
Malayan Banking Berhad
United Overseas Bank Limited

AUDITORS

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore
Partner-in-charge: Lee Boon Teck
(Appointed with effect from financial year ended
31 March 2018)

CHAIRMAN'S MESSAGE

Dear Shareholders,

On behalf of the Board of Directors, it is my pleasure to present to you the Group's result for the financial year ended 31 March 2019 ("FY2019").

The year under review witnessed lower demand and increase in price competition for our industrial chemicals business. As a result, Group's revenue declined to S$68.8 million, a 3% decrease from S$70.9 million in FY2018.

Despite the decline in revenue, and excluding the effects of fair value adjustments on its investment properties, net profit before tax in FY2019 came in at S$3.5 million. After taking into account the fair value gain of S$7.9 million on the valuation of its investment properties, the Group posted a higher profit before tax of S$11.4 million as compared to S$9.8 million in FY2018. Correspondingly, net profit after tax recorded a 15.7% increase to S$10.7 million in FY2019.

With the improved profitability, earnings per share rose to 14.07 cents, from 12.17 cents in FY2018.

Our balance sheet remained healthy with an increase in cash and cash balances by S$8.9 million to S$32.2 million in FY2019. The increase was primarily attributed to realisation of inventories. Gearing ratio remained low as at 31 March 2019. This allows the Group to be well-position to capitalise on opportunities arising and weather any challenges ahead.

OPERATING AND FINANCIAL REVIEW

INDUSTRIAL CHEMICALS BUSINESS

Industrial chemicals business accounted for 97.9% of the total Group revenue, of which, 93% of the revenue are derived locally. Local demand for our core chlor-alkali products remained stagnant. In addition, the increased price competition had driven local pricing downwards. The high operating costs in Singapore as compared to nearby regions also limit our ability to compete and export more products overseas. The declined in revenue of our core chlor-alkali products were partially offset by increase in revenue through sales of other chemical products as we actively pursued growth in other chemical products.

Arising from the above, revenue for our industrial chemicals business was down from S$69.4 million in FY2018 to S$67.4 million in FY2019 and gross profit margin declined marginally from 18.2% to 17%. The industrial chemicals business recorded a segmental profit of S$2.3 million, a decrease of 1.8% as compared to FY2018.

PROPERTY BUSINESS

Revenue for the property business remained relatively stable at S$1.4 million and operating expenses remained in line with expenses in FY2018. The property business posted a higher segmental profit from FY2018's S$7.4 million to S$8.8 million in FY2019. With the increase in demand and positive outlook of properties similar to located at our properties Upper Circular Road and Carpenter Street, the property business recorded a fair value gain of S$7.9 million (FY2018: S$6.4 million) on the valuation of the properties.

LOOKING AHEAD

The industrial chemicals business continues to operate amidst competitive conditions with more intense price competition. As such, if demand for our main chlor-alkali chemical products remains depressed, financial results for the coming year may be adversely affected. To mitigate, we are expanding the range of our products and seeking new growth opportunities in the region.

Following the incorporation of a wholly-owned subsidiary in the Republic of the Union of Myanmar, we had commenced the construction of a chemical process plant. Capital expenditure for the coming year will increase significantly resulting from the development of the chemical process plant.

The chemical process plant is expected to be operationally ready in October 2019 and we expect it to start contributing to the growth of our industrial chemicals business.

Barring any unforeseen circumstances, the property business is expected to remain steady as office rents are expected to be reasonably stable and market sentiments of the investment properties remains positive in FY2020.

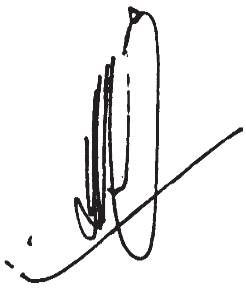
DIVIDEND

For FY2019, the Board of Directors has recommended a final dividend (one-tier tax exempt) of 1.5 cents per ordinary share, subject to shareholders' approval at the annual general meeting to be held on 28 June 2019. The final dividend of 1.5 Singapore cents represents approximately 74% dividend payout of the Company's FY2019 net profit (FY2018: Final dividend of 1.5 Singapore cents represented 54.6% dividend payout).

IN APPRECIATION

On behalf of the Board of Directors, I would like to express our thanks and appreciation to our shareholders, customers, business partners and associates as well as employees for their unwavering support and contributions.

We look forward to your continued support in the years ahead.



LIM SOO PENG
Chairman and Managing Director

12 June 2019

STATEMENT OF CORPORATE GOVERNANCE

The Board of Directors (the "Board") of Chemical Industries (Far East) Limited (the "Company") and its subsidiaries (the "Group") are committed to achieve high standards of corporate governance. We recognise that good corporate governance enhances accountability and protects the interests of shareholders.

This report sets out the Company's corporate governance practices with reference to the Code of Corporate Governance 2012 (the "Code"). The Company has complied in all material aspects with the principles, guidelines and recommendations of the Code.

BOARD MATTERS

Principle 1: Board's Conduct of its Affairs
Effective Board to lead and control the Company

The Directors of the Company are:

Mr Lim Soo Peng	Chairman and Managing Director
Mr Lim Yew Khang Cecil	Executive Director
Mr Lim Yew Tee Collin	Executive Director
Mr Tay Kah Chye	Non-Executive and Lead Independent Director
Dr Wan Soon Bee	Non-Executive Independent Director
Ms Lee Kia Jong Elaine (Mrs Elaine Lim)	Non-Executive Independent Director

Guideline 1.1
Role of the Board

The principal functions of the Board include, inter alia, providing entrepreneurial leadership, setting strategic objectives, monitoring Management's performance, establishing a framework for prudent and effective control for risk management, safeguarding shareholders' interests and the Company's assets as well as setting values and standards (including ethical standards) for the Company.

The Board considers sustainability issues in its strategy formulation. In compliance with SGX's requirements, the Company has posted its Sustainability Report for financial year ended 31 March 2019 on the Company's website at www.cil.sg.

Guideline 1.2
Directors' Duties and Responsibilities

The Board exercises due diligence and independent judgment in dealing with the business affairs of the Group and works with the Management to take objective decisions in the interest of the Group.

Guideline 1.3
Delegation of Authority to Board Committees

Board Committees, namely the Nominating Committee ("NC"), the Remuneration Committee ("RC") and the Audit Committee ("AC") have been constituted to assist the Board in the discharge of specific responsibilities without the Board abdicating its responsibilities.

These Board committees function within clearly defined terms of references approved by the Board. The segments of this report under Principle 4 to 5, 7 to 9, 11 to 13 detail the activities of the NC, RC and AC respectively.

Guideline 1.4
Meetings of Board and Board Committees

The current members of the Board and their membership on the Board committees of the Company are as follows:

Name of Director	Board appointments		Board committees		
	Executive Director	Independent Director	AC	NC	RC
Lim Soo Peng	*	-	-	Member	Member
Lim Yew Khang Cecil	*	-	-	-	-
Lim Yew Tee Collin	*	-	-	-	-
Tay Kah Chye	-	*	Chairman	Member	Member
Dr Wan Soon Bee	-	*	Member	Member	Chairman
Lee Kia Jong Elaine (Mrs Elaine Lim)	-	*	Member	Chairman	Member

The attendance of the directors at meetings of the Board and Board Committees during the year, as well as the frequency of such meetings, is disclosed below:

	Board	AC	RC	NC
Number of meetings held	2	2	1	1
Name of Directors				
Lim Soo Peng [(1)]	2	2*	1	1*
Lim Yew Khang Cecil	2	2*	-	1*
Lim Yew Tee Collin	2	2*	-	1*
Tay Kah Chye [(2)]	2	2	1	1
Dr Wan Soon Bee	2	2	1	1
Lee Kia Jong Elaine (Mrs Elaine Lim)	2	2	1	1

[(1)] Mr Lim Soo Peng stepped down as RC member on 22 May 2019
[(2)] Mr Tay Kah Chye will retire on 28 June 2019 after the conclusion of the AGM

*attended as invitee

Guideline 1.5
Matters which require Board's approval

Matters which are reserved for the Board's approval include the following:

- The Group's strategic plans
- Results announcements, half-year and full year
- Succession plans for Directors and Senior Management
- Transactions involving a conflict of interest or interested person or related party

- Material acquisitions and disposals
- Corporate or financial restructuring
- Declaration of dividends and other returns to Shareholders
- Appointment and re-appointment of Directors

Guideline 1.6
Orientation, Briefings, and trainings provided for Directors

All new Directors appointed to the Board will be briefed by the Chairman on their duties and obligations, and on the Group's organisation structure, business and governance practices. New Directors will also meet up with senior management to familiarize themselves, thereby facilitating Board interaction and independent access to senior management.

For FY2019, updates on the Group's business and strategic developments were presented by the Executive Directors, updates to changes and developments in accounting standards were presented by the external auditors and regulatory changes to the Listing Rules and Code of Corporate Governance were presented by the Company Secretary.

All Directors are also encouraged to be members of the Singapore Institute of Directors ("SID") and for them to receive journal updates and training from SID. Information on training programs, seminars and workshops organized by various professional bodies and organisations were circulated to the Directors on a regular basis; some of which the Directors have attended or participated during the year.

Guideline 1.7
Formal letter setting out Directors' Duties

A new Director will be provided with a formal letter setting out his duties and responsibilities.

BOARD COMPOSITION AND GUIDANCE

Principle 2: Strong and independent element on the Board

Guideline 2.1
One-third Board independence

The Board comprises six Directors, three of whom are independent directors. The independent Directors comprise 50% of the Board, thus providing a strong and independent element on the Board.

Guideline 2.2
One-half Board independence

The Chairman of the Board, Mr Lim Soo Peng is also the Managing Director of the Company. In compliance with Guideline 2.2 of the Code, the three Independent Directors make up half of the Board.

Guidelines 2.3 & 2.4
Independence of Directors

The Code has defined an "independent" Director as one who has no relationship with the Company, its related corporations, its 10% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgment with a view to the best interests of the company.

The NC reviews annually, and as and when circumstances require, if a Director is independent based on the guidelines set out in the Code and any other salient factors. Each Independent Director is required to complete a declaration form of independence based on the guidelines provided in the Code. The declaration form also requires the Director to make declaration on any relationships or circumstances, including those identified by the Code, that are relevant in the determination of whether a Director is independent.

In its review for FY2019, the three Independent Directors have declared themselves to be independent. Having reviewed the declarations of independence by the Independent Directors, the NC is of the view the Independent Directors, namely Mr Tay Kah Chye, Dr Wan Soon Bee and Ms Lee Kia Jong Elaine have none of the relationships or circumstances as stated in the Code that would otherwise deemed them not to be independent.

The Board has also conducted a rigorous review for the Independent Directors who had served the Board for more than 9 years since the date of their first appointments, namely Mr Tay Kah Chye and Dr Wan Soon Bee. The Board's rigorous review includes critical examination of any conflicts of interest, their review and scrutiny of matters and proposals put before the Board, exercise of independent judgement and the effectiveness of their oversight role as check and balance on the acts of the Executive Directors and management of the company and their role in enhancing and safeguarding the interest of the Company and that of its shareholders. Based on the rigorous review, the Board concluded that Mr Tay Kah Chye and Dr Wan Soon Bee continue to maintain independence in their oversight role.

Mr Tay Kah Chye and Dr Wan Soon did not participate in the rigorous review process and had abstained from the Board's deliberation of their independence.

Mr Tay Kah Chye is due to retire by rotation and re-election pursuant to Article 95(2) of the Constitution of the Company at the forthcoming annual general meeting. He has indicated that having served the Board for more than 9 years he does not wish to stand for re- election in line with new Listing Rules on independence of Independent Directors. The Board wishes to express its appreciation to Mr Tay and thank him for his many years of invaluable contributions to the Board and the Company.

Guidelines 2.5 & 2.6
Board size and diversity

The current Board has six members, three of whom are Independent Directors. The Board members as a group provide appropriate mix of experience, expertise and attributes that facilitate balanced, objective and effective decision making. The Board recognises the importance and value of gender diversity and it presently includes a female Director.

The Board concluded the size and diversity are appropriate taking into consideration the scope and nature of operations of the Group.

Profiles of the directors are disclosed in page 22 to 23 of this Annual Report.

Guideline 2.7
Role of Non-Executive Directors

During the year, the Non-Executive Directors constructively challenged and helped to develop proposals on investment and business strategies. The performance of the management in meeting the agreed investment and business strategies are also monitored and reviewed by the Non-Executive Directors.

Guideline 2.8
Regular meetings of Non-Executive Directors

The Non-Executive Directors are encouraged to meet regularly without the presence of Management to facilitate a more effective check on the management. Such sessions are arranged by the Lead Independent Director as and when necessary.

CHAIRMAN AND MANAGING DIRECTOR

Principle 3: Clear division of responsibilities between the leadership of the Board and the management of the Company

Guidelines 3.1 and 3.2
Chairman and CEO
Guideline 3.3 and 3.4
Lead Independent Director

Mr Lim Soo Peng, the founder of the Company, is the Chairman of the Board and Managing Director (equivalent to CEO) of the Company. He has been personally involved in the day-to-day operations of the Group since its inception.

As Chairman of the Board, his responsibilities include leading the Board to ensure its effectiveness, setting the Board agenda in consultation with Board members, the control of the quality and timeliness of data and information to the Board and promoting high standards of the Code and adherence to the Listing Rules and other regulatory requirements.

In line with guidelines of the Code, Mr Tay Kah Chye, who has been appointed as the Lead Independent Director since 18 May 2016, is available as a channel of communication between shareholders if they have concerns relating to matters that contact through the Chairman, Managing Director, or the Chief Financial Officer have failed to resolve or such contact is inappropriate.

The Board is of the opinion that there is a strong and independent element on the Board and adequate safeguards are in place to prevent considerable concentration of power.

The Independent Directors, led by the Lead Independent Director, meet amongst themselves without the presence Executive Directors, and management where necessary. After such meetings, the Lead Independent Director provides feedback to the Chairman.

BOARD MEMBERSHIP

Principle 4: Formal and transparent process for appointment of Directors

Guidelines 4.1 and 4.2
Nominating Committee

The Nominating Committee ("NC") comprises the following members, of which, the majority are Non-Executive Independent Directors, including the Chairman: -

Lee Kia Jong Elaine (Mrs Elaine Lim) (NC Chairman)
Tay Kah Chye
Dr Wan Soon Bee
Lim Soo Peng

The role of the NC is to make recommendations to the Board on all Board appointments and re-appointments.

The key responsibilities of the NC are to:

- ensure that the Board has the appropriate size and relevant mix of expertise and experience;
- review the Board succession plans, in particular the Chairman and the Managing Director;
- develop a process for evaluation of the performance of the Board, its board committees and Directors;
- review training and professional development programmes for the Board.

As part of the selection, appointment and re-appointment process, the NC takes into consideration each Director's competencies, commitment, contribution and performance, including, if applicable, as an independent director.

Guideline 4.3
Review of Directors' independence

The NC determines, on an annual basis, and as and when circumstances require, if a Director is independent bearing in mind the circumstances set forth in the guidelines of independence in the Code and any other salient factors.

In FY2019, the NC conducted its annual review on the independence of the Independent Directors, using the criteria of independence in the Code and respective Independent Directors' self-declaration. Accordingly, the NC has ascertained that they are independent.

Guideline 4.4
Multiple board representations

The NC does not consider it appropriate to set a limit on the number of directorships that a Director may hold because individual circumstances and capacity of each Director are different. The NC respects each Director as a professional and leaves it to his/her personal assessment on the demands of competing directorships and obligations and whether he/she can still serve effectively.

Guideline 4.5
Alternative Director

There was no alternative Director appointed on the Board, in line with the guidelines in the Code.

Guideline 4.6
Process for the selection, appointment and re-appointment of Directors

The NC reviews the composition of the Board on an annual basis, and as and when circumstances require, to ensure that the Board is of the appropriate size and has the relevant mix of expertise and experience.

When the need for a new Director arises, the NC will take into consideration the diversity of skills, knowledge and experience on the Board to ensure that the Board, on the whole, has the requisite skills to achieve the Group's strategic and business plan. Candidates will be sourced through a network of contacts including relevant institutions like Singapore Institute of Directors, nominations by existing Directors and if necessary, external consultants. Taking into account the existing composition of the Board, candidates will be evaluated on their personality, qualifications, competencies, experience, skill sets and knowledge. Thereafter, the NC will make recommendations to the Board for approval and the new Director is appointed by way of a Board resolution.

Under the Company's Constitution, one-third of the Directors shall retire from office each year. The retiring directors are eligible for re-election. In addition, any new Director appointed during the year will have to retire at the Annual General Meeting following his appointment and be eligible for re-election.

Re-appointment of Directors is subject to NC's review and recommendations. The NC, having considered the competencies, commitment, contribution and performance in effectively discharging his responsibilities, has recommended to the Board the re-election of Mr Lim Soo Peng pursuant to Article 95(2) of the Constitution of the Company. Mr Lim has abstained from the NC's deliberations on his re-election.

Guideline 4.7
Key information of Directors

Key information of Directors is disclosed on pages 22 and 23 of this Annual Report. In addition, Directors' interest in shares and debentures of the Company and related corporations are set out in the Directors' Statement on pages 25 to 27 of this Annual Report.

BOARD PERFORMANCE

Principle 5: Formal assessment of the effectiveness of the Board and contributions of each director

Guidelines 5.1 & 5.2
Board evaluation and performance criteria

In evaluating the Board's performance, the NC implements an assessment process that requires each Director to submit an assessment form of the performance of the Board as a whole during the financial year under review. This assessment process takes into account, inter alia, performance indicators such as governance, leadership and strategy, meeting and decision making, Board composition, maintenance of independence, competencies, development and training, control and risk management and communication. The Company Secretary compiles the Directors' evaluation into a consolidated report and presented it to the NC and the Board. No external facilitator was used in the evaluation process.

For FY2019, having reviewed the overall performance of the Board in terms of its role and responsibilities and the conduct of its affairs as a whole, the NC is of the view that the performance of the Board and its various committees are effective.

Guideline 5.3
Evaluation of Individual director's performance

For the assessment of individual Directors, the NC considers the contribution by each Director towards the effectiveness of the Board and its committees in which he or she is a chairperson or member. The assessment includes, inter alia, attendance and quality of participation at Board and committee meetings, commitment of time, knowledge and abilities, teamwork and overall effectiveness to enable the Board and its committees to make sound and well-considered decisions.

In FY2019, the NC has reviewed each individual director's performance and is of the view that each individual Director has contributed effectively and demonstrated commitment to his/her role.

ACCESS TO INFORMATION

Principle 6: Board members to have complete, adequate and timely information

Guidelines 6.1 & 6.2
Management providing information to Board

Directors are provided with complete, adequate and timely information prior to Board meetings and on an on-going basis. Such information is circulated at least 7 days in advance of each meeting and it includes financial reports, disclosure documents, explanatory information, key developments and other matters requiring the Board's decision. The Board is kept informed of material events and transactions as and when they occur in a timely manner.

Every Board member has separate and independent access to management. They are entitled to request from management additional information.

Guideline 6.3
Board's access to Company Secretary

Directors have separate and independent access to the Company Secretary. The role of the Company Secretary is clearly defined and the Company Secretary is present at Board meetings to respond to the queries from any Director and to assist in ensuring that Board procedures as well as applicable rules and regulations are followed.

Guideline 6.4
Appointment and removal of Company Secretary

The appointment and the removal of the Company Secretary are subject to the Board's approval.

Guideline 6.5
Board's access to independent professional advice

The Board takes independent professional advice as and when necessary, at the Company's expense, concerning any aspect of the Group's operations or undertakings in order to discharge its responsibilities effectively.

REMUNERATION MATTERS

Principle 7: Formal and transparent procedure for fixing remuneration packages of directors

Guideline 7.1
Remuneration Committee

The Remuneration Committee ("RC") comprises three members, all of whom are independent.

Dr Wan Soon Bee (RC Chairman)
Tay Kah Chye
Lee Kia Jong Elaine (Mrs Elaine Lim)
Lim Soo Peng*

*Stepped down on 22 May 2019

The main responsibilities of the RC are to:

- recommend to the Board a general framework for remuneration;
- review specific remuneration packages for each Executive Director and key management personnel;
- review the Directors' Fee framework.

Guideline 7.2
Remuneration framework

The Remuneration Committee recommends to the Board a framework for remuneration for the Board and key executives and to determine specific remuneration packages for each Executive Director and key management personnel of the Company. The recommendations of the RC are then submitted to the Board for endorsement.

No Director is involved in deciding his or her remuneration.

Guideline 7.3
Access to expert advice on remuneration matters

The RC will be provided with access to expert professional advice on remuneration matters as and when necessary. The expense of such services shall be borne by the Company.

Guideline 7.4
Termination Clauses in Service Contract

Each of the Executive Directors and key management personnel has an employment contract with the Company which can be terminated by either party giving notice of resignation or termination. RC has reviewed and concluded that the termination clauses are fair and reasonable.

LEVEL AND MIX OF REMUNERATION

Principle 8: Level and mix of Remuneration

Guideline 8.1
Remuneration of Executive Directors and key management personnel

A significant and appropriate proportion of Executive Directors' and key management personnel's remuneration is structured such that rewards are linked to corporate and individual performance. Such performance-related remuneration is aligned with the interests of shareholders and promotes the long-term success of the Company.

Guideline 8.2
Long-term incentive scheme

The Company has no employee share incentive scheme or other long-term incentives. In this regard, the RC has reviewed and is satisfied that the existing compensation structure with variable component paid out in cash has continued to be effective in incentivising performance without being excessive.

Guideline 8.3
Remuneration of Non-Executive Directors

All the Non-Executive Directors who are Independent Directors have no service contract with the Company and are compensated based on a fixed annual fee taking into account factors such as responsibilities, efforts and time spent.

The RC considers that the current fixed fee structure adequately compensates the Non-Executive Directors, and given the size and operations of the Company, without implementation of shares schemes. The RC will consider recommending such schemes if appropriate.

Guideline 8.4
Contractual Provisions

The RC has reviewed the recommendations of the Code on the use of contractual provisions to allow the Company to reclaim incentive components of remuneration from Executive Directors and key management personnel, in exceptional circumstances, and considers it unnecessary in the current context.

There are no contractual provisions in the employment contracts of Executive Directors and key management personnel for the Company to reclaim incentive components of remuneration.

DISCLOSURE ON REMUNERATION

Principle 9: Disclosure of Remuneration

Guidelines 9.1 & 9.2
Remuneration of Directors

	Salary	Bonus	Provident Fund	Directors' Fee[1]	Total
	S$'000	S$'000	S$'000	S$'000	S$'000
S$1,250,001 to S$1,500,000					
Lim Soo Peng	684	533	8	100	1,325
S$250,001 to S$500,000					
Lim Yew Khang Cecil	360	70	8	50	488
Lim Yew Tee Collin	180	48	17	50	295
S$250,000 and below					
Tay Kah Chye	-	-	-	55	55
Dr Wan Soon Bee	-	-	-	55	55
Lee Kia Jong Elaine (Mrs Elaine Lim)	-	-	-	55	55
Total	**1,224**	**651**	**33**	**365**	**2,273**

[1]All Directors receive Directors' fee for attending to Board matters. Chairman of the Board receives double the fee paid to other Directors and Board committees chairman receives a small additional fee. Directors' fee is subject to shareholders approval at the Annual General Meeting.

Guideline 9.3
Remuneration of top 5 management personnel (who are not Directors or the CEO)

	Salary	Bonus	Provident Fund	Total
S$250,000 and below				
Executive 1	74%	18%	8%	100%
Executive 2	80%	12%	8%	100%
Executive 3	77%	13%	10%	100%
Executive 4	80%	14%	6%	100%
Executive 5	74%	19%	7%	100%

The remuneration of the top 5 key management personnel (who are not directors or the CEO) is shown on a "no name" basis so as to avoid a situation where the information might be exploited by competitors.

The Company has many competitors in the same industry. Given that the Company has invested in staff development and retention, the disclosure of full details of each key management personnel with no similar disclosure by the Company's competitors would facilitate competitors to poach its management staff and impedes its ability to retain and develop its staff to the detriment of its business.

The aggregate of the total remuneration paid to the top five key management personnel (who are not directors) is S$777,000.

Guideline 9.4
Remuneration Immediate Family Member of Directors

Saved as disclosed below, there is no other employee who is an immediate family member of a director or the MD and whose remuneration exceeds S$50,000.

Remuneration Bands and Name of Family Member of a Director or MD	Relationship to a Director or the MD
S$100,001 to S$150,000 Lin Yinjun Benjamin	Grandson of Mr Lim Soo Peng and son of Mr Lim Yew Khang Cecil

Guideline 9.5
Employee Share Option Scheme

The Company does not have a share option scheme or other share incentive schemes for its employees. The RC has reviewed and is satisfied that the existing compensation structure with variable component paid out in cash continues to be effective in incentivising performance without being excessive.

ACCOUNTABILITY AND AUDIT

Principle 10: Accountability of the Board and Management

Guideline 10.1
Balanced assessment of Company's performance, position and prospects

The Board provides a balanced and meaningful assessment of the Group's financial performance and prospects regularly through financial statements, announcement of results to shareholders and the SGX-ST as well as the Chairman's statement, and review of operations in the annual report. Financial results are released on a semi-annual basis to the shareholders through SGXNET.

In turn, Management of the Company provides the Board with balanced and understandable accounts of the Group's performance, financial position and business prospects on a regular basis.

Guideline 10.2
Compliance with legislative and regulatory requirements

The Board is accountable to the shareholders and is mindful of its obligations to ensure compliance with the Listing Rules of the SGX-ST. The Directors have each signed the respective undertaking in the form set out in Appendix 7.7 of the Listing Manual to undertake to use their best endeavours to comply with the Listing Rules and to procure that the Company shall so comply. The Directors have also procured a similar undertaking from the Chief Financial Officer and the General Manager in their capacities as Executive Officers.

Guideline 10.3
Review of management accounts

Management of the Company provides the Board with balanced and understandable accounts of the Group's performance, financial position and business prospects on a regular basis.

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 11: Responsibility of the Board for governance of risk

Guidelines 11.1 and 11.2
Risk Management and Internal Controls System

The Group maintains a system of internal controls for all companies within the Group. The controls are to provide reasonable assurance (but not absolute guarantee) that assets are adequately safeguarded, operational and information technology controls are in place, business risks are suitably addressed and proper accounting records are maintained.

The AC reviews the effectiveness of the Company's material internal controls, including financial, operational and administrative controls and risk management annually. In the course of their statutory audit, the external auditors conduct an annual review of the effectiveness of the Company's material internal controls, including financial, operational compliance and information technology controls, and risk management systems. The AC reviews the audit plans and the findings of the external auditors annually and takes steps to ensure that the Company follows up on the recommendations raised by the external auditors, if any, during the audit process.

The Board reviews the effectiveness of the key internal controls with the AC annually and on an on-going basis and provides its perspective on management control and ensures that the necessary corrective and preventive actions are taken on a timely basis.

For FY2019, the Board has reviewed with the AC the following significant risk factors relevant to the Group's operations:

- Interest rate risk
- Equity price risk
- Credit risk
- Liquidity risk
- Capital risk

The above risks and the management of these risks are set out on pages 54 to 61 of this annual report.

Guidelines 11.3
Board's Comment on Adequacy and Effectiveness of Internal Controls

For FY2019, the Board has received letters of assurance from the Managing Director and Chief Financial Officer of the Company that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances. It has also received assurance from them of the effectiveness of the Group's risk management system and internal control systems.

Based on the internal controls established and maintained by the Group, and work performed by the external auditors ("auditors") and discussions with them, including Management's responses to the auditors' recommendations for improvements to the Group's internal controls, if any, and assurance from the Managing Director and the Chief Financial Officer. The Board is of the opinion that the Group's risk management and internal control systems are adequate and effective to address the financial, operational, compliance and information technology controls for FY2019. The AC concurs with the Board's opinion based on their reviews of audit findings on internal controls and risks with the auditors.

Guideline 11.4
Risk Committee

The responsibility of overseeing the Company's risk management framework and policies is undertaken by the AC. Having considered the Company's business operations as well as its existing internal control and risk management systems, the Board is of the view that a separate risk committee is not required for the time being.

AUDIT COMMITTEE

Principle 12: Audit Committee

Guideline 12.1
AC membership

The Audit Committee ("AC") comprises the following members, all of whom are Independent Non-Executive Directors:

Mr Tay Kah Chye	(AC Chairman)
Dr Wan Soon Bee	
Ms Lee Kia Jong Elaine (Mrs Elaine Lim)	

Guideline 12.2
AC members' qualifications

All AC members have recent and relevant accounting or related financial management expertise or experience to discharge their responsibilities effectively.

The Chairman of the AC, Mr Tay Kah Chye has many years of financial management experience, having held various positions in banking. AC members, Dr Wan Soon Bee and Mrs Elaine Lim carry with them considerable experience in business and finance.

The qualifications of the AC members are found on profiles of the Directors in page 22 to 23 of this Annual Report.

Guidelines 12.3 and 12.4
Roles, responsibilities and authorities of AC

The AC assists the Board in fulfilling its fiduciary responsibilities. The main responsibilities of the AC include:

- review the significant financial reporting issues and judgements to ensure the integrity of the financial statements and any announcement relating to financial performance;
- review and evaluate with internal auditors, the adequacy and effectiveness of internal controls, including financial, operational, compliance and information technology controls;
- review the scope and effectiveness of internal audit;
- review the scope and results of the external audit, including management's response to the auditors' recommendations for improvements to the Group's internal controls, if any;
- review the independence and objectivity of the external auditors;
- make recommendations on the appointment, re-appointment and removal of external auditors;
- review interested persons transactions; if any to ensure compliance with the Listing Manual;
- review whistle blowing and investigations, if any and ensure appropriate follow up action, if require.

The AC has full authority to investigate any matters within its terms of reference, full access to and co-operation by management and full discretion to invite any Director or management to attend its meetings and has been given reasonable resources to enable it to discharge its functions.

Guideline 12.5
Meeting with internal and external auditors without presence of management

In FY2019, the AC met with the external auditors on 2 separate occasions and the internal auditor on 1 occasion without the presence of management.

The AC had discussed the key audit matters identified by the external auditors for FY2019. The AC having reviewed the approach and methodology used, concurred with the basis and conclusion included in the auditor's report with respect to the key audit matters for FY2019. Please refer to the Independent Auditor's Report on pages 28 to 29 of this annual report on the key audit matters.

Guideline 12.6
Independence of external auditors

The external auditors, Deloitte & Touche LLP, registered with the Accounting and Corporate Regulatory Authority, were first appointed on 1 August 1962. They are also the external auditors of all the Company's subsidiaries as well as its associate companies. The partner in charge of the audit was appointed with effect from the financial year ended 31 March 2018 is Mr Lee Boon Teck. The Company confirmed its compliance with Rule 712 and 715 of the Listing Manual.

The aggregate fees paid to the Group's external auditor, Deloitte & Touche LLP, for FY2019 was S$72,000, of which audit fee amounted to S$57,000 and non-audit fee amounted to S$15,000 or 20.8% of total audit fees. The AC has reviewed the amount, nature and extent of such non-audit services rendered to the Group by Deloitte & Touche LLP and concluded that it will not prejudice the independence and objectivity of the external auditors. According, the AC has recommended Deloitte & Touche LLP for re-appointment as external auditors of the Company at the forthcoming annual general meeting of the Company.

Guideline 12.7
Whistle-blowing policy

The Company has in place a whistle-blowing policy that provides staff of the Group direct access to the Board Chairman and/or AC Chairman to raise concerns about possible improprieties in matters of financial reporting or other matters. All information received will be treated confidentially and identities and interests of whistle-blowers will be protected, so as to enable staff to voice their concerns without any fear of reprisal, retaliation, discrimination or harassment of any kind.

All whistler-blower complaints will be investigated independently by the AC and the findings will be reported to the Board.

Guideline 12.8
AC to keep abreast of changes to accounting standards

During FY2018, each of the AC members attended various external training ranging from changes in accounting standards, risk management, corporate governance and regulatory related topics. Besides the external training, the AC has kept abreast of changes in accounting standards and issues which impact the financial statements from briefings from external auditors during the AC meetings.

Guideline 12.9
Restriction on AC membership

None of the AC members were a former partner or director of the Company's existing external auditors, Deloitte & Touche LLP, in the last 12 months, or hold any financial interest in Deloitte & Touche LLP.

INTERNAL AUDIT

Principle 13: Setting up independent internal audit function

Guidelines 13.1 and 13.2
Internal auditors

The Company has engaged Crowe Horwath First Trust Risk Advisory Pte Ltd as its internal auditors on January 2019. The internal auditors report directly to the Chairman of the AC on all internal audit matters.

The primary functions of internal audit are to help:-

(a) assess if adequate systems of internal controls are in place to protect the assets of the Group and to ensure whether control procedures are complied with;

(b) assess if operations of the business processes under review are conducted efficiently and effectively; and

(c) identify and recommend improvement to internal control procedures, where required.

Guidelines 13.3, 13.4 and 13.5
Internal audit function

The internal auditor, appointed on January 2019 has completed its internal audit review for the Group in FY2019 in accordance with the internal audit plan approved by the AC. The internal auditors had unfettered access to the relevant documents, records, properties and personnel of the Group. The findings and recommendations of the internal auditors, the management's responses, and the management's implementation of the recommendations have been reviewed and approved by the AC. The AC is of the view that the internal audit function is independent, effective and adequately resourced.

SHAREHOLDER RIGHTS AND RESPONSIBILITIES

SHAREHOLDERS RIGHT

Principle 14: Shareholders to be treated fairly and equitably

Guideline 14.1
Sufficient Information to Shareholders

The Board ensures that shareholders are informed of changes in the Company or its business on a timely manner through:

(a) SGXNET announcements and news release;
(b) Annual Report;
(c) Notices of and explanatory memoranda for annual general meetings and extraordinary general meetings.

Guideline 14.2
Voting procedures at general meetings

Every shareholder has the right to receive notice of general meetings and to vote thereat. Notice of a general meeting is sent out at least 14 days before the meeting so that sufficient notice is given to shareholders to attend the meeting or appoint proxies to attend and vote in their stead.

All resolutions at general meetings are required to be voted by poll under the Listing Rules of the SGX-ST. Shareholders will be briefed by the Company on the poll voting procedures at general meetings.

Guideline 14.3
Proxies for corporations which provide nominee or custodial services

The Company allows the appointment of more than 2 proxies for a member, who is a relevant intermediary as defined in Section 181 of the Companies Act, Chapter 50, to attend and participate in general meetings as proxies. In these respect, shareholders who hold shares through a nominee, custodian bank or CPF/SRS can attend and participate in general meetings as proxies.

COMMUNICATION WITH SHAREHOLDERS

Principle 15: Regular, effective and fair communication with shareholders

Guideline 15.1
Investor relations policy

Communication with shareholders is generally through the general meetings, annual report and announcements made on the SGXNET and in the press. Shareholders are invited to the Company's general meetings, at which they are free to raise queries to which responses are given.

Each year the annual general meeting is generally held within 3 months after the financial year ended. Shareholders are advised to access the following website in order to be better prepared for the annual general meeting:

http://www.sgx.com/wps/portal/marketplace/mp-en/investor centre/investor guide.

Guideline 15.2
Disclosure of information

In accordance with the Listing Rules of the SGX-ST, information that affects the Group is disclosed in a timely manner through SGXNET and the Company does not practise selective disclosure.

Guidelines 15.3 & 15.4
Regular dialogue with shareholders

The Company's general meetings are the principal forum for dialogue with shareholders, to gather their views or inputs, and address their concerns, if any. The Company will consider the use of other forums as set out in Guideline 15.4 of the Code as and when applicable.

Guideline 15.5
Dividend policy

The Company has not formalised a dividend policy, however, it has been paying dividends since FY2006. The Board takes into consideration the Group's operating performance, cash position and planned capital expenditures in its recommendation of dividends.

For FY2019, the Board has recommended a first and final one-tier dividend of 1.5 cents per share subject to shareholders approval at the annual general meeting on 28 June 2019.

CONDUCT OF SHAREHOLDER MEETINGS

Principle 16: Conduct of shareholders' meetings

Guideline 16.1
Absentia voting

Voting in absentia is currently not permitted and may only be possible if relevant legislative changes are effected.

Guideline 16.2
Separate resolutions at general meetings

The Company will have separate resolutions at general meetings on each distinct issue.

Guideline 16.3
Attendance of Chairman of the Board and Board committees at general meetings

The Directors, in particular, Chairman of the Board and the respective Board committee Chairmen are present at general meetings to answer shareholders' queries. The external auditors are also present at the annual general meeting to answer shareholders' queries about the conduct of the audit and the preparation and content of the auditors' report.

Guideline 16.4
Minutes of general meetings

The minutes of the general meetings are taken and are available to shareholders for their inspection upon request.

Guideline 16.5
Voting by poll

All resolutions at general meetings are put to vote by poll and detailed results showing the number of votes cast for and against each resolution and the respective percentages will be announced during the general meetings and subsequent announcement made through SGXNET.

DEALINGS IN SECURITIES

The Company has in place a policy prohibiting dealings in the Company's securities by the Company, its Directors and officers of the Company for the period of one month before the announcement of the Company's half year and full year financial statements and ending on the date of the announcement. The Directors and officers of the Company are also prohibited from dealing in the Company's securities on short-term considerations. In addition, the Company, its Directors and officers are expected to observe the insider trading laws at all times even when dealing in the Company's securities within permitted trading period.

INTERESTED PERSON TRANSACTIONS

There were no interested person transactions exceeding S$100,000 during the year.

NO MATERIAL CONTRACTS

There was no material contracts entered into by the Company or any of its subsidiaries involving the interest of the CEO, Director or substantial shareholder.

BOARD OF DIRECTORS

LIM SOO PENG, JP, BBM(L), BBM, PBM

Chairman and Managing Director

Mr. Lim Soo Peng was appointed to the Board since its inception on 16 March 1962 and was last re-elected on 30 June 2016. He is a founder member of the Company, in response to the invitation by the Singapore Government to effect a transition as owner of a leading commodities trading house to a manufacturer of essential chemicals in the nascent industrialization programme of Singapore in the decades of the sixties.

Mr. Lim was appointed Justice of the Peace in 1966. He was also a Member of Parliament in our first and second parliaments. For the last four decades, he had served on a number of Government committees and statutory boards. For his public service contribution, he was awarded The Public Service Medal in 1997, The Public Service Star in 2001 and The Public Service Star (Bar) in 2014. Mr. Lim was also conferred the SG50 Outstanding Chinese Business Pioneers Award by the Singapore Chinese Chamber of Commerce & Industry in 2015.

LIM YEW KHANG CECIL

Executive Director

Mr. Lim Yew Khang Cecil was appointed to the Board on 15 September 2016 and was last re-elected on 30 June 2017. He assists the Chairman and Managing Director in strategic planning and business development of the Group. In addition, he is responsible for the Group's operations in Myanmar.

Mr. Cecil Lim joined the Group in 1980 and had held various positions in the Group. From 1992 to 2006, he served as an Executive Director on the Board of Directors. He has been actively involved in various aspects of the Group including investment, finance, commercial and Chlor-Alkali plant operations. He started his working career in the financial investment arena prior to joining the Group.

Mr. Cecil Lim graduated with a Bachelor of Arts (Honours) degree in Social Science from the University of Singapore and obtained a Master of Science in Business Studies from the London Business School.

LIM YEW TEE COLLIN

Executive Director

Mr. Lim Yew Tee Collin was appointed to the Board on 1 September 2015 and was last re-elected on 29 June 2018. He oversees the operations of the chlor-alkali manufacturing plant situated in Jurong Island and technical aspects of the Group.

Mr. Collin Lim joined the Group in August 1997 as a Project Engineer and was promoted to Deputy Plant Manager in March 2002 and Plant Manager in July 2013. Prior to joining the Group, he was an Electrical Engineer with Ministry of Defence from 1994 to 1997.

Mr. Collin Lim holds a Bachelor of Engineering (Honours) degree majoring in Electrical Engineering from Nanyang Technological University, a Master of Science in Engineering Business Management from the University of Warwick and an Executive Diploma in Directorship from Singapore Management University.

He is a Business Continuity Certified Planner with Business Continuity Management Institute and a Certified Professional Risk Manager with Asian Risk Management Institute. Mr. Collin Lim currently serves as a committee member in the review of the Environment & Resource and the Chemical & Processes Standards for Singapore.

TAY KAH CHYE

Non-Executive and Lead Independent Director

Mr. Tay Kah Chye was appointed to the Board on 2 January 2008 and was last re-elected on 30 June 2017. He is the Chairman of the Audit Committee as well as a member of the Nominating Committee and Remuneration Committee. Mr Tay is also the Non-Executive Independent Chairman of Asiatic Group (Holdings) Limited and an Independent Director of Wilmar International Limited and Lead Independent Director of Asiatravel.com Holdings Ltd.

Mr. Tay is currently the Executive Chairman of CLMV Consult Net Private Limited, a regional consulting company headquartered in Singapore and the Chief Executive Officer of PATA Group (comprising PATA Consultancy Private Limited and PATA International Enterprise Private Limited).

From 1973 to 1991, Mr. Tay held various positions in Citibank Singapore with his last held position as the Vice President and Group Head of the Corporate Marketing Group. He was the President and Chief Executive Officer of ASEAN Finance Corporation Limited, a regional merchant bank based in Singapore and owned by various leading banks and financial institutions in ASEAN from 1991 to 2007 and concurrently as the Secretary General of ASEAN Bankers Association. From 2008 to 2010, he served as the Honorary Adviser of ASEAN Bankers Association. He was also an Independent Director of Cambodia Mekong Bank Public Company Limited from 2003 to January 2013 with his last held appointment as Chairman of the Board of Directors.

Mr. Tay graduated with a Bachelor of Social Sciences (Honours) degree, majoring in Economics, from the University of Singapore.

DR WAN SOON BEE

Non-Executive Independent Director

Dr Wan Soon Bee was appointed to the Board on 3 July 2000 and was last re-elected on 29 June 2018. He is the Chairman of the Remuneration Committee as well as a member of the Audit Committee and Nominating Committee.

Dr Wan was a former Minister of State and was a Member of Parliament from 1980 to 2001. He served as Deputy Secretary-General of the National Trades Union Congress (NTUC) from 1981 to 1987 and Chairman of Comfort Group Ltd from 1986 to 1998. From 1981 to 1995, he was on the Board of Directors of Singapore Airlines and was the Executive Chairman of OCWS Logistics Pte Ltd, a subsidiary of Neptune Orient Lines Limited from 1995 to 2000.

Dr Wan holds a Dottore Ingegnere Degree in Electronics Engineering from the University of Pisa, Italy.

LEE KIA JONG ELAINE (MRS. ELAINE LIM)

Non-Executive Independent Director

Mrs. Elaine Lim was appointed to the Board on 15 September 2016 and was last re-elected on 30 June 2017. She is Chairman of the Nominating Committee and member of the Audit Committee and Remuneration Committee.

She has the rare distinction of having started two Investors Relations consultancies from scratch, both of which rank amongst the top 5 consultancies in Singapore. She also spearheaded the thrust into capital market transactions and investor relations, with more than 270 IPOs under her belt, representing more than 30% of all companies listed on The Singapore Exchange as well as a number of landmark M&A transactions.

She was named the PR Professional of the Year in 1995 and awarded the Lifetime PR Achievement Award in 2012 by the Institute of Public Relations Singapore.

Mrs. Elaine Lim graduated with a Master of Business Administration from the University of Chicago Graduate School of Business.

SENIOR MANAGEMENT

Chiang Yi Shin
Chief Financial Officer

Mr. Chiang Yi Shin joined the Group in 1998 and has held various positions before his appointment as Chief Financial Officer in April 2019. He is responsible for the Group's finance, compliance and internal control functions. Prior to joining the Group, he was the Head of Accounts Department of a construction company.

Mr. Chiang graduated with a Bachelor of Economics (Honours) degree in Management Studies from the University of London. He is a member of the Institute of Singapore Chartered Accountants, Fellow of the Association of Chartered Certified Accountants and an Accredited Tax Adviser (GST) with the Singapore Institute of Accredited Tax Professionals Limited.

Ivan Toh
Head of Commercial

Mr. Ivan Toh joined the Group in October 2017 as Head of Commercial and is responsible for developing and expanding the market for our own production products, as well as distribution chemicals.

He has been in the chemical distribution lines for 11 years and was previously from a major American chemical distribution company with responsibilities for developing its regional distribution business.

Mr. Toh graduated with a Diploma in Business Studies from Ngee Ann Polytechnic.

Wong Moon Seng
Technical Adviser to Chairman

Mr. Wong Moon Seng serves as the Group's Technical Adviser since March 2002. He joined the Group in 1965 as Deputy Plant Manager and was involved in the evolution of the Group's manufacturing technology from the first-generation mercury cells to the present Bipolar membrane Electrolyzer technology.

Mr. Wong graduated with a Bachelor of Science degree in Chemical Engineering from the National Taiwan University.

Yeo Keng Liang
Sales & Marketing Manager

Mr. Yeo was appointed as the Sales & Marketing Manager in March 2009. He joined the Group in 1985 as Marketing Executive. Prior to joining the Group, he worked with a consumer goods distributor and the Consumer Association of Singapore.

Mr. Yeo graduated with a Diploma in Commerce from Ngee Ann Technical College.

Teo Ek Pheng
Logistics Manager

Mr. Teo joined the Group in 1965 and has held various positions in the Group during his tenure with the Group. He was promoted to Logistics Manager in March 2009 with overall responsibilities for the Group's distribution business. He is also a Director of Chem Transport Pte Ltd, a subsidiary company.

DIRECTORS' STATEMENT

The directors present their statement together with the audited consolidated financial statements of the group and statement of financial position and statement of changes in equity of the company for the financial year ended 31 March 2019.

In the opinion of the directors, the consolidated financial statements of the group and the statement of financial position and statement of changes in equity of the company as set out on pages 31 to 86 are drawn up so as to give a true and fair view of the financial position of the group and of the company as at 31 March 2019, and the financial performance, changes in equity and cash flows of the group and changes in equity of the company for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the company will be able to pay its debts when they fall due.

1. DIRECTORS

The directors of the company in office at the date of this statement are:

Lim Soo Peng J.P. (Chairman and Managing Director)
Lim Yew Khang Cecil
Lim Yew Tee Collin
Tay Kah Chye
Dr Wan Soon Bee
Lee Kia Jong Elaine

2. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the directors of the company to acquire benefits by means of the acquisition of shares or debentures in the company or any other body corporate.

3. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors of the company holding office at the end of the financial year had no interests in the share capital and debentures of the company and related corporations as recorded in the register of directors' shareholdings kept by the company under Section 164 of the Singapore Companies Act except as follows:

	Shareholdings registered in the names of directors		**Shareholdings in which directors are deemed to have an interest**	
Names of directors and company in which interests are held	**At beginning of year**	**At end of year**	**At beginning of year**	**At end of year**
Chemical Industries (Far East) Limited. (Ordinary Shares)				
Lim Soo Peng J.P.	3,114,250	3,114,250	32,743,500	32,743,500
Lim Yew Khang Cecil	14,000	14,000	-	-
Lim Yew Tee Collin	10,479	10,479	-	-
Tay Kah Chye	16,750	16,750	-	-

By virtue of Section 7 of the Singapore Companies Act, Mr Lim Soo Peng is deemed to have an interest in all the related corporations of the company.

The directors' interests in the shares of the company at 21 April 2019 were the same as 31 March 2019.

4. SHARE OPTIONS

(a) *Options to take up unissued shares*

During the financial year, no option to take up unissued shares of the company or any corporation in the group was granted.

(b) *Options exercised*

During the financial year, there were no shares of the company or any corporation in the group issued by virtue of the exercise of an option to take up unissued shares.

(c) *Unissued shares under options*

At the end of the financial year, there were no unissued shares of the company or any corporation in the group under option.

5. AUDIT COMMITTEE

The Audit Committee of the company, consisting all non-executive and independent directors, is chaired by Mr Tay Kah Chye and comprises Ms Lee Kia Jong Elaine and Dr Wan Soon Bee. The Audit Committee has met two times since the last Annual General Meeting ("AGM") and has reviewed the following, where relevant, with the executive directors and external auditors of the company:

a) the audit plan and results of the internal auditor's examination and evaluation of the group's system of internal accounting controls;

b) the group's financial and operating results and accounting policies;

c) the audit plans of the external auditors;

d) the financial statements of the company and the consolidated financial statements of the group before their submission to the directors of the company and external auditor's report on those financial statements;

e) the half-yearly and annual announcements as well as the related press releases on the results and financial position of the company and the group;

f) the co-operation and assistance given by the management to the group's external auditors; and

g) the re-appointment of the external auditors of the group.

The Audit Committee has full access to and has the co-operation of the management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any director and executive officer to attend its meetings. The external auditors have unrestricted access to the Audit Committee.

The Audit Committee has recommended to the directors the nomination of Deloitte & Touche LLP for re-appointment as external auditors of the group at the forthcoming AGM of the company.

6. AUDITORS

The auditors, Deloitte & Touche LLP, have expressed their willingness to accept re-appointment.

ON BEHALF OF THE DIRECTORS

LIM SOO PENG

TAY KAH CHYE

31 May 2019

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
CHEMICAL INDUSTRIES (FAR EAST) LIMITED.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Chemical Industries (Far East) Limited. (the "company") and its subsidiaries (the "group"), which comprise the consolidated statement of financial position of the group and the statement of financial position of the company as at 31 March 2019, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the group and the statement of changes in equity of the company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 31 to 86.

In our opinion, the accompanying consolidated financial statements of the group and the statement of financial position and statement of changes in equity of the company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the group and the financial position of the company as at 31 March 2019 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the group and of changes in equity of the company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matter is the matter that, in our professional judgement, was of most significance in our audit of the financial statements of the current year. This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Valuation of investment properties

The group has investment properties stated at fair value, determined based on professional external valuers engaged by the group, which amounted to $55.7 million and accounted for 43% of group's total assets as at 31 March 2019.

The valuation process involves significant judgement and estimation. The valuations are dependent on the valuation methodology applied and these are underpinned by a number of assumptions which included price per square feet of market comparables used; location and remaining lease tenure. A change in the key assumptions applied may have a significant impact to the valuation.

Our audit performed and responses thereon

We considered the objectivity, independence, qualification and competency of the external valuer engaged by the group.

We considered the appropriateness of the valuation techniques used by the external valuer for the respective investment properties, taking into account the profile and type of the investment properties. We discussed with the external valuer on the results of the work, and compared the key assumptions used in their valuations by reference to externally published benchmarks where available and considered whether these assumptions are consistent with the current market environment.

We also considered the adequacy of the disclosures in the financial statements, in describing the inherent degree of subjectivity and key assumptions in the estimates.

We found that the external valuer was recognised professionals with appropriate level of qualifications and experience. The valuation methodology adopted was in line with generally accepted market practices. The key assumptions used were within reasonable range, taking into account available industry data for comparable markets and properties. We also found the related disclosures in the financial statements to be adequate.

Disclosures on key assumptions and valuation techniques of investment properties are found in Note 10 to the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.

c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.

e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Lee Boon Teck.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

31 May 2019

STATEMENTS OF FINANCIAL POSITION
31 March 2019

	Note	Group			Company		
		31 March 2019	31 March 2018	1 April 2017	31 March 2019	31 March 2018	1 April 2017
		$'000	$'000	$'000	$'000	$'000	$'000
ASSETS							
Current assets							
Cash and cash equivalents	6	32,170	23,273	26,267	28,789	20,654	23,115
Trade and other receivables	7	10,396	10,625	9,860	10,308	10,518	9,758
Prepaid land lease	13	42	-	-	-	-	-
Due from subsidiaries		-	-	-	5,404	4,699	6,034
Inventories	8	5,730	9,433	4,667	5,782	9,595	4,767
Total current assets		48,338	43,331	40,794	50,283	45,466	43,674
Non-current assets							
Property, plant and equipment	9	23,630	27,400	32,727	21,248	26,645	32,127
Investment properties	10	55,700	47,800	41,400	-	-	-
Subsidiaries	11	-	-	-	9,084	6,383	6,383
Associates	12	-	-	-	-	-	-
Prepaid land lease	13	1,870	-	-	-	-	-
Available-for-sale investment	14	-	906	708	-	906	708
Financial assets at fair value through profit or loss ("FVTPL")	15	831	-	-	831	-	-
Total non-current assets		82,031	76,106	74,835	31,163	33,934	39,218
Total assets		130,369	119,437	115,629	81,446	79,400	82,892
LIABILITIES AND EQUITY							
Current liabilities							
Trade and other payables	16	5,652	3,705	5,326	5,083	3,152	4,776
Contract liabilities	17	109	-	-	109	-	-
Due to subsidiaries		-	-	-	460	186	351
Finance leases	18	10	10	88	10	10	10
Income tax payable		3,627	3,532	4,481	3,424	3,309	4,286
Total current liabilities		9,398	7,247	9,895	9,086	6,657	9,423

See accompanying notes to financial statements.

STATEMENTS OF FINANCIAL POSITION (cont'd)

31 March 2019

	Note	Group			Company		
		31 March 2019	**31 March 2018**	**1 April 2017**	**31 March 2019**	**31 March 2018**	**1 April 2017**
		$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Non-current liabilities							
Finance leases	18	9	20	30	9	20	30
Deferred tax liabilities	19	2,860	3,549	4,232	2,790	3,483	4,193
Total non-current liabilities		2,869	3,569	4,262	2,799	3,503	4,223
Capital and reserves							
Share capital	20	75,945	75,945	75,945	75,945	75,945	75,945
Reserves	21	11	718	532	-	718	532
Accumulated profits (losses)		42,146	31,958	24,995	(6,384)	(7,423)	(7,231)
Total equity		118,102	108,621	101,472	69,561	69,240	69,246
Total liabilities and equity		130,369	119,437	115,629	81,446	79,400	82,892

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 March 2019

	Note	Group	
		2019	**2018**
		$'000	**$'000**
Revenue	22	**68,820**	70,855
Cost of sales		**(55,966)**	(56,745)
Gross profit		**12,854**	14,110
Other income (expense)			
Gain from fair value adjustments on investment properties		**7,900**	6,400
Others (net)	23	**476**	(745)
Distribution expenses		**(4,590)**	(4,928)
Administrative expenses		**(5,273)**	(5,064)
Finance costs		**(1)**	(3)
Profit before tax		**11,366**	9,770
Income tax expense	24	**(677)**	(529)
Profit for the year attributable to owners of the company	25	**10,689**	9,241
Basic and diluted earnings per share (cents)	27	**14.07**	12.17

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 March 2019

	Group	
	2019	2018
	$'000	$'000
Profit for the year	10,689	9,241
Other comprehensive income (net of tax)		
Available-for-sale investments	-	186
Exchange differences on translation of foreign operations	11	-
Total comprehensive income for the year	11	186
Total comprehensive income for the year attributable to owners of the company	10,700	9,427

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN EQUITY
Year ended 31 March 2019

	Note	Share capital	Foreign currency translation reserves (Reserves)	Investment revaluation reserve (Reserves)	Total reserves (Reserves)	Accumulated profits	Attributable to equity holders of the company
		$'000	$'000	$'000	$'000	$'000	$'000
Group							
Balance at 1 April 2017		75,945	451	532	983	24,544	101,472
Adoption of SFRS(I) 1		-	(451)	-	(451)	451	-
Balance at 1 April 2017		75,945	-	532	532	24,995	101,472
Total comprehensive income for the year							
Profit for the year		-	-	-	-	9,241	9,241
Other comprehensive income		-	-	186	186	-	186
Total		-	-	186	186	9,241	9,427
Dividends paid, representing transactions with owners, recognised directly in equity	26	-	-	-	-	(2,278)	(2,278)
Balance as at 31 March 2018		75,945	-	718	718	31,958	108,621
Adoption of SFRS(I) 9	31	-	-	(718)	(718)	638	(80)
Balance at 1 April 2018		75,945	-	-	-	32,596	108,541
Total comprehensive income for the year							
Profit for the year		-	-	-	-	10,689	10,689
Other comprehensive income		-	11	-	11	-	11
Total		-	11	-	11	10,689	10,700
Dividends paid, representing transactions with owners, recognised directly in equity		-	-	-	-	(1,139)	(1,139)
Balance as at 31 March 2019		75,945	11	-	11	42,146	118,102

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN EQUITY (cont'd)

Year ended 31 March 2019

	Note	Share capital	Investment revaluation reserve	Accumulated losses	Total
		$'000	$'000	$'000	$'000
Company					
Balance as at 1 April 2017		75,945	532	(7,231)	69,246
Total comprehensive income for the year					
Profit for the year		-	-	2,086	2,086
Other comprehensive income		-	186	-	186
Total		-	186	2,086	2,272
Dividends paid, representing transactions with owners, recognised directly in equity	25	-	-	(2,278)	(2,278)
Balance as at 31 March 2018		75,945	718	(7,423)	69,240
Adoption of SFRS(I) 9		-	(718)	638	(80)
Balance at 1 April 2018		75,945	-	(6,785)	69,160
Profit for the year, representing total comprehensive income for the year		-	-	1,540	1,540
Dividends paid, representing transactions with owners, recognised directly in equity		-	-	(1,139)	(1,139)
Balance as at 31 March 2019		75,945	-	(6,384)	69,561

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 March 2019

	Group	
	2019	2018
	$'000	$'000
Operating activities		
Profit before tax	11,366	9,770
Adjustments for:		
Write-down of inventories to net realisable value	45	249
Provision for doubtful trade receivables	-	603
Loss allowance	64	-
Depreciation of property, plant and equipment	6,585	6,531
Gain from fair value adjustments on investment properties	(7,900)	(6,400)
Loss on fair value adjustments on financial assets at FVTPL	90	-
Foreign exchange differences	(104)	201
Dividend income	(32)	(22)
Gain on disposal of property, plant and equipment	(19)	(9)
Interest expense	1	3
Interest income	(227)	(52)
Operating cash flows before movements in working capital	9,869	10,874
Trade and other receivables	200	(1,575)
Inventories	3,658	(4,820)
Trade and other payables	1,952	(1,615)
Contract liabilities	109	-
Cash generated from operations	15,788	2,864
Dividends paid	(1,139)	(2,278)
Income tax paid	(1,271)	(2,161)
Interest paid	(1)	(3)
Interest received	227	52
Dividends received	32	22
Net cash from (used in) operating activities	13,636	(1,504)

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS (cont'd)

Year ended 31 March 2019

	Group	
	2019	2018
	$'000	$'000
Investing activities		
Proceeds on disposal of property, plant and equipment	19	11
Purchase of property, plant and equipment	(2,815)	(1,401)
Additions to available-for-sale investments	(15)	(12)
Payment made for land lease	(1,917)	-
Net cash used in investing activities	(4,728)	(1,402)
Financing activity		
Repayment of obligations under finance leases, representing net cash used in financing activity	(11)	(88)
Net increase (decrease) in cash and cash equivalents	8,897	(2,994)
Cash and cash equivalents at beginning of year	23,273	26,267
Cash and cash equivalents at end of year	32,170	23,273

See accompanying notes to financial statements.

1 GENERAL

The company (Registration No. 196200046K) is incorporated in Singapore with its principal place of business and registered office at 3, Jalan Samulun, Singapore 629127. The company is listed on the mainboard of the Singapore Exchange Securities Trading Limited. The financial statements are expressed in Singapore dollars.

The principal activities of the company are investment holding and the manufacture and sale of chemicals.

The principal activities of the subsidiaries and associates are disclosed in Notes 11 and 12 to the financial statements.

The consolidated financial statements of the group and the statement of financial position and statement of changes in equity of the company for the year ended 31 March 2019 were authorised for issue by the Board of Directors on 31 May 2019.

For all periods up to and including the year ended 31 March 2018, the financial statements were prepared in accordance with the previous framework, Financial Reporting Standards in Singapore (“FRSs”). These financial statements for the year ended 31 March 2019 are the first set that the group and the company have prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”). Details of first-time adoption of SFRS(I) are included in Note 31.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING – The financial statements have been prepared in accordance with the historical cost basis except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards (International) (“SFRS(I)s”).

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of SFRS(I) 2 *Share-based Payment*, leasing transactions that are within the scope of SFRS(I) 1-17 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in SFRS(I) 1-2 *Inventories* or value in use in SFRS(I) 1-36 *Impairment of Assets.*

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

BASIS OF CONSOLIDATION – The consolidated financial statements incorporate the financial statements of the company and entities controlled by the company and its subsidiaries. Control is achieved when the company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The company considers all relevant facts and circumstances in assessing whether or not the company's voting rights in an investee are sufficient to give it power, including:

- The size of the company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the company obtains control over the subsidiary and ceases when the company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the company gains control until the date when the company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the company and to the non-controlling interests even if this results in the non- controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiary to bring its accounting policies in line with the group's accounting policies.

Changes in the group's ownership interests in existing subsidiaries

Changes in the group's ownership interests in a subsidiary that do not result in the group losing control over the subsidiary are accounted for as equity transactions. The carrying amounts of the group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the company.

When the group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable SFRS(I)s). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under SFRS(I) 9, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

In the company's financial statements, investment in subsidiary is carried at cost less any impairment in net recoverable value that has been recognised in profit or loss.

FINANCIAL INSTRUMENT - Financial assets and financial liabilities are recognised on the group's statement of financial position when the group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

FINANCIAL ASSETS (before 1 April 2018)

All financial assets are recognised and de-recognised on a trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value plus transaction costs, except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value.

Available-for-sale financial assets

Certain shares held by the group are classified as being available-for-sale and are stated at fair value. Fair value is determined in the manner described in Note 4 to the financial statements. Gains and losses arising from changes in fair value are recognised in other comprehensive income with the exception of impairment losses which are recognised directly in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in other comprehensive income and accumulated in revaluation reserve is reclassified to profit or loss. Dividends on available-for-sale equity instruments are recognised in profit or loss when the group's right to receive payments is established.

Trade and other receivables and amounts due from subsidiaries

Trade and other receivables and amounts due from subsidiaries that have fixed or determinable payments that are not quoted in an active market are initially measured at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest method, except for short-term balances where the effect of interest would be immaterial.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For available-for-sale equity instruments, a significant or prolonged decline in the fair value of the investment below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- Significant financial difficulty of the issuer or counterparty; or
- Default or delinquency in interest or principal payments; or
- It becoming probable that the borrower will enter into bankruptcy or financial re-organisation.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the profit or loss. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss. With the exception of available-for–sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity instruments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any subsequent increase in fair value after an impairment loss is recognised in other comprehensive income.

Derecognition of financial assets

The group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the group retains substantially all the risks and rewards of ownership of a transferred financial asset, the group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

FINANCIAL ASSETS (after 1 April 2018)

All financial assets are recognised and de-recognised on a trade date basis where the purchase or sale of financial assets is under a contract whose terms require delivery of assets within the time frame established by the market concerned.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

Interest income is recognised in profit or loss and is included in the “investment revenue” line item.

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value as at each reporting date, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the “other income (expense)” line item (Note 23). Fair value is determined in the manner described in Note 4(c)(vi).

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate as at each reporting date. Specifically,

- for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the “other income (expense)” line item; and

- for financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the “other income (expense)” line item.

Impairment of financial assets

The group recognises a loss allowance for expected credit losses (“ECL”) on investments in debt instruments that are measured at amortised cost. No impairment loss is recognised for investments in equity instruments. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The group always recognises lifetime ECL for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime

ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit- impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the group's core operations, namely the Industrial Chemicals and Property Operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;

- an actual or expected significant deterioration in the operating results of the debtor;

- significant increases in credit risk on other financial instruments of the same debtor; and

- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the group has reasonable and supportable information that demonstrates otherwise.

Despite the aforegoing, the group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or

- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the group, in full (without taking into account any collaterals held by the group).

Irrespective of the above analysis, the group considers that default has occurred when a financial asset is more than 90 days past due unless the group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

a) significant financial difficulty of the issuer or the borrower; or

b) a breach of contract, such as a default or past due event; or

c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or

d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

e) the disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy

The group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for loan commitments and financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the group expects to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used for determining the expected credit losses is consistent with the cash flows used in measuring the lease receivable in accordance with SFRS(I) 1-17 *Leases*.

Derecognition of financial assets

The group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the group retains substantially all the risks and rewards of ownership of a transferred financial asset, the group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the company's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not 1) contingent consideration of an acquirer in a business combination, 2) held-for-trading, or 3) designated as at FVTPL, are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost as at each reporting date, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the "other income (expense)" line item in profit or loss (Note 23) for financial liabilities.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss for financial liabilities that are not part of a designated hedging relationship.

Derecognition of financial liabilities

The group derecognises financial liabilities when, and only when, the group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Offsetting arrangements

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when the company and the group has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. A right to set-off must be available today rather than being contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy.

INVENTORIES – Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

PROPERTY, PLANT AND EQUIPMENT – Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Properties in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation of these assets, on the same basis as other properties assets, commences when the assets are available for their intended use.

Depreciation is charged so as to write off the cost of assets, other than assets under construction, over their estimated useful lives, using the straight-line method, on the following bases:

Leasehold buildings	-	3.33% to 10% (over the terms of lease)
Plant and machinery and laboratory equipment	-	5% to 10%
Steel cylinders	-	6.66%
Office equipment, furniture and fittings	-	10% to 33.3%
Motor vehicles	-	25%

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Fully depreciated assets still in use are retained in the financial statements.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, if there is no certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

PREPAID LAND LEASE – Prepaid land lease is stated at cost less accumulated amortisation. Amortisation is charged over the duration of the land lease using the straight-line method at 2.2% per annum.

INVESTMENT PROPERTY – Investment property, which is property held to earn rentals and/or for capital appreciation is measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. Gains or losses arising from changes in the fair value of investment property are included in profit or loss for the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no further economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

IMPAIRMENT OF NON-FINANCIAL ASSETS – At the end of each reporting period, the group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

ASSOCIATES – An associate is an entity over which the group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations*.

Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the group's share of the profit or loss and other comprehensive income of the associate. When the group's share of losses of an associate exceeds the group's interest in that associate (which includes any long-term interests that, in substance, form part of the group's net investment in the associate), the group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of SFRS(I) 9 are applied to determine whether it is necessary to recognise any impairment loss with respect to the group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with SFRS(I) 1-36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount, any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with SFRS(I) 1-36 to the extent that the recoverable amount of the investment subsequently increases.

The group discontinues the use of the equity method from the date when the investment ceases to be an associate, or when the investment is classified as held for sale. When the group retains an interest in the former associate and the retained interest is a financial asset, the group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with SFRS(I) 9. The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

When the group reduces its ownership interest in an associate but the group continues to use the equity method, the group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate of the group, profits and losses resulting from the transactions with the associate are recognised in the group's consolidated financial statements only to the extent of interests in the associate that are not related to the group.

PROVISIONS – Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that the group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount can be measured reliably.

LEASES – Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

<u>The group as lessor</u>

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as lease income.

<u>The group as lessee</u>

Assets held under finance leases are recognised as assets of the group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

REVENUE RECOGNITION – Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The group recognises revenue at point in time when it transfers control of a product or service to a customer.

Sale of goods

Revenue is recognised at a point in time when control of the goods has transferred, being when the goods have been shipped to the customer's specific location (delivery).

Rental income

The group's policy for recognition of revenue from operating leases is described above.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Dividend income

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

BORROWING COSTS – Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

RETIREMENT BENEFIT COSTS – Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered the services entitling them to the contributions. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

EMPLOYEE LEAVE ENTITLEMENT – Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

INCOME TAX – Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the company and subsidiaries operate by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates except where the group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Except for investment properties measured using the fair value model, the measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model of the group whose business objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. Management has not rebutted the presumption that the carrying amount of the investment properties will be recovered entirely through sale.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively), or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION – The individual financial statements of each group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the group and the statement of financial position of the company are presented in Singapore dollars, which is the functional currency of the company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the group's foreign operations (including comparatives) are expressed in Singapore dollars using exchange rates prevailing at the end of the reporting period. Income and expense items (including comparatives) are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component of equity under the header of translation reserve.

The group has applied the option to reset the cumulative foreign currency translation differences for all foreign operations to zero at the date of transition to SFRS(I) on 1 April 2017. As a result, the cumulative foreign currency translation loss was reclassified from foreign currency translation reserve to accumulated profits as at 1 April 2017. After the date of transition, any gain or loss on disposal of any foreign operation will exclude translation differences that arose before the date of transition.

CASH AND CASH EQUIVALENTS IN THE CONSOLIDATED STATEMENT OF CASH FLOWS – Cash and cash equivalents in the consolidated statement of cash flows comprise cash on hand and at bank and fixed deposits less bank overdrafts and are subject to an insignificant risk of changes in value.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the group's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the group's accounting policies

In the application of the group's accounting policies, which are described in Note 2, the management is of the opinion that any application of judgements are not expected to have a significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

a) Impairment in property, plant and equipment

The group reviews the carrying amount of its property, plant and equipment to determine whether there are any indications that these assets have suffered an impairment loss. If indicators of impairment exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

For the year ended 31 March 2019 and 2018, no impairment loss on property, plant and equipment was recognised in profit or loss.

The carrying amounts of the property, plant and equipment of the group and company is disclosed in Note 9 to the financial statements.

b) Useful lives of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as disclosed in Note 2. Management estimates useful lives of property, plant and equipment by reference to expected usage of the plant and equipment, expected repair and maintenance, and technical or commercial obsolescence arising from changes of improvements in the market. Changes in these factors could impact the useful lives and related depreciation charges.

The carrying amounts of property, plant and equipment of the group and company are disclosed in Note 9 to the financial statements.

c) Fair value of investment properties

The group estimates the fair value of investment properties based on valuation performed by an independent professional valuer. The estimated market values may differ from the price at which the group's assets could be sold at a particular time, since actual selling prices are negotiated between willing buyers and sellers. Also, certain estimates such as overall market conditions require an assessment of factors not within management's control. As a result, actual results of operations and realisation of net assets may differ from the estimates set forth in these financial statements, and the difference may be significant. Information about the valuation techniques and inputs used in determining the fair value of investment properties are disclosed in Note 10 to the financial statements.

The carrying amount of investment properties is disclosed in Note 10 to the financial statements.

d) Allowance for inventories

The policy for allowance for inventories for the group is based on management's judgement and evaluation of the saleability and the aging analysis of the individual inventory items. A considerable amount of judgement is required in assessing the ultimate realisation of these inventories, including the current market prices and movement trends.

The carrying amounts of the group's and the company's inventories are disclosed in Note 8 to the financial statements.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

(a) *Categories of financial instruments*

The following table sets out the financial instruments as at the end of the reporting period:

	Group			Company		
	31 March 2019	31 March 2018	1 April 2017	31 March 2019	31 March 2018	1 April 2017
	$'000	$'000	$'000	$'000	$'000	$'000
Financial Assets						
Financial assets at amortised cost	42,135	33,435	35,667	44,129	35,475	38,529
Financial assets at FVTPL	831	-	-	831	-	-
Available-for-sale investment	-	906	708	-	906	708
Financial Liabilities						
Financial liabilities at amortised cost	5,780	3,735	5,444	5,671	3,368	5,167

(b) *Financial instruments subject to offsetting, enforceable master netting arrangements and similar arrangements*

The group and the company do not have any financial instruments which are subject to offsetting enforceable master netting arrangements or similar netting arrangements.

(c) *Financial risk management policies and objectives*

The risks associated with the group's financial instruments include foreign exchange risk, interest rate risk, equity price risk, credit risk and liquidity risk.

There has been no change to the group's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

(i) Foreign exchange risk management

The group transacts business in various foreign currencies and therefore is exposed to foreign exchange risk, mainly arising from United States dollar.

At the end of the reporting period, the carrying amounts of significant monetary assets and monetary liabilities denominated in currency other than the functional currency of the group entities are as follows:

	<---------Non-Derivative--------->								
	Liabilities			Assets			Net exposure		
	31 March 2019	31 March 2018	1 April 2017	31 March 2019	31 March 2018	1 April 2017	31 March 2019	31 March 2018	1 April 2017
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group and Company									
United States dollars	1,065	156	1,509	12,249	6,904	19,486	11,184	6,748	17,977

Foreign currency sensitivity

The following table details the sensitivity to a 10% increase and decrease in United States dollar against the functional currency of each group entity. The sensitivity analysis includes the effect of outstanding United States dollar denominated monetary items and forward foreign exchange contracts adjusted at the period end for a 10% change in foreign currency rates.

If United States dollar strengthens by 10% against the functional currency of each group entity, profit before tax will increase by approximately:

	2019	2018
	$'000	$'000
Group and Company		
Profit before tax	1,118	675

The opposite applies if the United States dollar weakens by 10% against the functional currency of each group entity.

(ii) Interest rate risk management

The group and company are not exposed to significant interest rate risks.

The group's and company's interest rate risks relate primarily to its fixed deposits. The group and company currently do not use any derivative contracts to hedge its exposure to interest rate risk.

(iii) Equity price risk management

The group and company are exposed to equity risks arising from equity investments classified as financial assets at FVTPL (31 March 2018 and 1 April 2017: available-for-sale investments). Financial assets at FVTPL (2018: available-for-sale investments) are held for strategic rather than trading purposes. The group does not actively trade financial assets at FVTPL (31 March 2018 and 1 April 2017: available-for-sale investments).

Further details can be found in Note 14 and 15 to the financial statements.

Equity price sensitivity

The sensitivity analysis below has been determined based on the exposure to equity price risks at the end of the reporting period.

For the year ended 31 March 2018, in respect of available-for-sale investments, if the quoted market prices had been 10% higher/lower while all other variables were held constant, the group's and the company's investment revaluation reserves would increase/decrease by approximately $91,000.

For the year ended 31 March 2019, in respect of financial assets at FVTPL, if the quoted market prices had been 10% higher/lower while all other variables were held constant, the group's and the company's profit or loss would increase/decrease by approximately $83,000.

The group's and company's sensitivity to equity prices have not changed significantly from the prior year.

(iv) Overview of the group’s exposure to credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the group. As at 31 March 2019, the group’s maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the group due to failure to discharge an obligation by the counterparties and financial guarantees provided by the group arises from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

The group’s current credit risk grading framework comprises the following categories:

Category	**Description**	**Basis for recognising expected credit losses (ECL)**
Performing	The counterparty has a low risk of default and does not have any past due amounts.	12-month ECL/Lifetime ECL in the case of trade receivables without significant financing component
Doubtful	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL - not credit- impaired
In default	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL - credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the group has no realistic prospect of recovery.	Amount is written off

The tables below detail the credit quality of the group's financial assets, as well as maximum exposure to credit risk by credit risk rating grades:

	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
				$'000	$'000	$'000
Group						
31 March 2019						
Trade receivables	7	(i)	Lifetime ECL (simplified approach)	**10,098**	**(179)**	**9,919**
	7	In default	Lifetime ECL	**568**	**(568)**	**-**
Other receivables	7	Performing	12-month ECL	**46**	**-**	**46**
					(747)	

	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount (i)	Loss allowance	Net carrying amount
				$'000	$'000	$'000
Company						
31 March 2019						
Trade receivables	7	Performing	Lifetime ECL (simplified approach)	**10,081**	**(179)**	**9,902**
	7	In default	Lifetime ECL (simplified approach)	**568**	**(568)**	**-**
Other receivables	7	Performing	12-month ECL	**34**	**-**	**34**
Due from subsidiaries	7	Performing	12-month ECL	**5,404**	**-**	**5,404**
					(747)	

(i) For trade receivables, the group has applied the simplified approach in SFRS(I) 9 to measure the loss allowance at lifetime ECL. The group determines the expected credit losses on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Note 7 includes further details on the loss allowance.

The carrying amount of the group's financial assets at FVTPL as disclosed in Note 15 best represents their respective maximum exposure to credit risk. The group holds no collateral over any of these balances.

(v) Credit risk management

The group's credit risk is primarily attributable to its trade and other receivables and cash and cash equivalents. This represents the group's maximum exposure to credit risk. The group performs ongoing credit evaluation of its customers and generally does not require collateral on trade receivables.

There exists concentration of credit risk with respect to trade receivables. Trade receivables are generated primarily from 5 (2018 : 5) customers from the industrial chemicals segment. The amounts receivable from these customers represented approximately 46% (2018 : 39%) of the total trade receivables of the group and the company. Management believes that the financial standing of these customers which are major multinational corporations substantially mitigates the group's exposure to credit risk.

At the reporting date, there are no significant concentrations of credit risk for financial assets designated at FVTPL. The carrying amount reflected above represents the group's maximum exposure to credit risk for such assets.

Collateral held as security and other credit enhancements

The group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

(vi) Liquidity risk management

The group maintains sufficient cash and bank balances, and internally generated cash flows to finance their activities. The group finances its operations by a combination of equity and bank borrowings. In addition, the group manages liquidity risk by (a) use of liquid assets and; (b) available borrowing facilities to meet the liquidity needs.

Liquidity risk analysis

Non-derivative financial liabilities

The following table details the expected maturity for non-derivative financial liabilities. The inclusion of information on non-derivative financial assets is necessary in order to understand the group's liquidity risk management as the group's liquidity risk is managed on a net asset and liability basis. The tables below have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the group and the company anticipate that the cash flow will occur in a different period.

	Carrying amount	<---- Contractual cash flows ----> (including interest payments) Total	On demand or within 1 year	Within 2 to 5 years
	$'000	$'000	$'000	$'000
Group				
31 March 2019				
Non-interest bearing	5,761	5,761	5,761	-
Finance lease liability (fixed rate)	19	20	11	9
	5,780	5,781	5,772	9
31 March 2018				
Non-interest bearing	3,705	3,705	3,705	-
Finance lease liability (fixed rate)	30	32	11	21
	3,735	3,737	3,716	21
1 April 2017				
Non-interest bearing	5,326	5,326	5,326	-
Finance lease liability (fixed rate)	118	122	92	30
	5,444	5,448	5,418	30
Company				
31 March 2019				
Non-interest bearing	5,652	5,652	5,652	-
Finance lease liability (fixed rate)	19	20	11	9
	5,671	5,672	5,663	9
31 March 2018				
Non-interest bearing	3,338	3,338	3,338	-
Finance lease liability (fixed rate)	30	32	11	21
	3,368	3,370	3,349	21
1 April 2017				
Non-interest bearing	5,127	5,127	5,127	-
Finance lease liability (fixed rate)	40	41	11	30
	5,167	5,168	5,138	30

The group's and company's financial assets are mainly due on demand or within one year.

(vii) Fair value of financial assets and financial liabilities

The group determines fair values of various financial assets and financial liabilities in the following manner:

Fair value of the financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and input(s) used).

Financial assets/ financial liabilities	Fair value as at ($'000)			Fair value hierarchy	Valuation technique(s) and key input(s)
	31 March 2019	31 March 2018	1 April 2017		
	Assets	Assets	Assets		
Group					
Available-for-sale investments	-	906	708	Level 1	Quoted prices in an active market.
Financial assets at fair value through FVTPL	831	-	-	Level 1	Quoted prices in an active market.
Company					
Available-for-sale investments	-	906	708	Level 1	Quoted prices in an active market.
Financial assets at fair value through FVTPL	831	-	-	Level 1	Quoted prices in an active market.

Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

The carrying amounts of cash and cash equivalents, trade and other receivables and payables and other liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

There were no significant transfers between Level 1 and Level 2 of the fair value hierarchy during the period.

(d) *Capital management policies and objectives*

The group manages its capital to ensure that entities in the group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the group consists of share capital, reserves and accumulated profits.

Management reviews the capital structure on an annual basis. As a part of this review, management considers the cost of capital and the risks associated with each class of capital.

The group's overall strategy remains unchanged from 2018.

5 RELATED PARTY TRANSACTIONS

Some of the transactions and arrangements are between members of the group and the effect of these on the basis determined between the parties is reflected in these financial statements. The intercompany balances are unsecured, interest-free and repayable on demand.

Compensation of directors and key management personnel

The remuneration of directors and key management personnel during the year was as follows:

	Group	
	2019	2018
	$'000	$'000
Short-term benefits	3,027	3,034
Post employment benefits	100	90
	3,127	3,124

The remuneration of directors and key management personnel is determined by the Remuneration Committee having regard to the performance of individual and market trends.

6 CASH AND CASH EQUIVALENTS

	Group			Company		
	31 March 2019	31 March 2018	1 April 2017	31 March 2019	31 March 2018	1 April 2017
	$'000	$'000	$'000	$'000	$'000	$'000
Cash at bank	12,139	11,170	24,202	10,856	10,623	23,104
Fixed deposits	20,020	12,092	2,054	17,922	10,020	-
Cash on hand	11	11	11	11	11	11
	32,170	23,273	26,267	28,789	20,654	23,115

Cash and bank balances comprise cash held by the group and short-term bank deposits with a maturity of three months or less.

Fixed deposits bear average interest rate of 1.15% to 2.39% (31 March 2018 : 0.93% to 1.15%, 1 April 2017 : 0.75%) per annum and have varying maturity dates of 30 to 90 days (31 March 2018 : 30 to 92 days; 1 April 2017 : 30 days).

7 TRADE AND OTHER RECEIVABLES

	Group			Company		
	31 March 2019	31 March 2018	1 April 2017	31 March 2019	31 March 2018	1 April 2017
	$'000	$'000	$'000	$'000	$'000	$'000
Trade receivables due from:						
Sale of goods	10,649	10,678	9,336	10,649	10,678	9,336
Rental income	17	35	3	-	-	-
Less: Provision for doubtful trade receivables	-	(603)	-	-	(603)	-
Loss allowance	(747)	-	-	(747)	-	-
	9,919	10,110	9,339	9,902	10,075	9,336
Other receivables:						
Sundry debtors	13	23	20	13	22	20
Rental deposits	5	4	30	-	-	13
Prepayments	431	463	460	372	396	378
Other deposits	28	25	11	21	25	11
	10,396	10,625	9,860	10,308	10,518	9,758

The average credit period on sales of goods is 30 days (31 March 2018 and 1 April 2017 : 30 days). No interest is charged on the trade receivables.

Loss allowance for trade receivables has always been measured at an amount equal to lifetime Expected Credit Losses ("ECL"). The ECL on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

A trade receivable is written off when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier. None of the trade receivables that have been written off is subject to enforcement activities.

The following table details the risk profile of trade receivables from contracts with customers based on the group's provision matrix. As the group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the group's different customer base.

	Group						
	Trade receivables - days past due						
31 March 2019	Not past due	<30 days	31 - 60 days	61 - 90 days	91 - 120 days	Specific provision	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Expected credit loss rate	0.26%	2.06%	9.98%	25.97%	25.97%	100.00%	
Estimated total gross carrying amount at default	7,258	2,088	462	172	101	568	10,649
Lifetime ECL	(19)	(43)	(46)	(45)	(26)	(568)	(747)
							9,902

The group does not expect loss allowance on the trade receivables due from rental income due to the availability of rental deposits placed by tenants.

The table below shows the movement in lifetime ECL that has been recognised for trade receivables in accordance with the simplified approach set out in SFRS(I) 9:

Group	Individually assessed	Lifetime ECL - credit-impaired	Total
	$'000	$'000	$'000
Balance as at 31 March 2018	603	-	603
Adoption of SFRS(I) 9	-	80	80
Balance at 1 April 2018	603	80	683
Amounts recovered	(415)	-	(415)
Change in loss allowance	380	99	479
Balance as at 31 March 2019	568	179	747

For purpose of impairment assessment, other receivables are considered to have low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month ECL.

In determining the ECL, management has taken into account the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to the debtors and general economic conditions of the industry in which the debtors operate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for other receivables.

Previous accounting policy for impairment of trade receivables

Before accepting any new customer, the group performs an internal assessment to determine the potential customer's credit quality and defines credit limits by customer. Credit limits are reviewed on a regular basis.

For the year ended 31 March 2018, the group and company did not provide for receivables amounting to $2,788,000 (1 April 2017 : $3,440,000) which were past due at the end of the reporting period as there had not been a significant change in credit quality. These receivables were on average past due for 30 days. The group and company also assessed receivables that were current and not impaired and determined that no allowances were required. The group did not hold any collateral over these balances.

In determining the recoverability of a trade receivable, the group considered any change in credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period.

Movement in the provision for doubtful receivables:

	Group	
	2018	2017
	$'000	$'000
Balance at beginning of the year	-	-
Charge to profit or loss	603	-
Balance at end of the year	603	-

8 INVENTORIES

	Group			Company		
	31 March 2019	31 March 2018	1 April 2017	31 March 2019	31 March 2018	1 April 2017
	$'000	$'000	$'000	$'000	$'000	$'000
Finished goods	3,191	8,353	3,037	3,243	8,515	3,137
Raw materials	1,554	535	910	1,554	535	910
Packing and other materials	985	545	720	985	545	720
	5,730	9,433	4,667	5,782	9,595	4,767

Cost of sales includes write-downs of inventories to net realisable value of $45,000 (31 March 2018 : $249,000; 1 April 2017 : $Nil).

9 PROPERTY, PLANT AND EQUIPMENT

	Construction-in-progress	Leasehold buildings	Plant and machinery	Steel cylinders	Laboratory equipment	Office equipment, furniture and fittings	Motor vehicles	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group								
Cost:								
At 1 April 2017	314	31,742	109,963	4,940	496	1,331	2,817	151,603
Additions	7	23	748	161	104	122	236	1,401
Disposals	-	-	(9)	(259)	-	(137)	(72)	(477)
Transfers (Note)	(314)	63	56	-	-	-	-	(195)
At 31 March 2018	7	31,828	110,758	4,842	600	1,316	2,981	152,332
Additions	1,892	450	195	40	1	84	153	2,815
Disposals	-	-	(8)	-	-	-	(129)	(137)
At 31 March 2019	1,899	32,278	110,945	4,882	601	1,400	3,005	155,010
Accumulated depreciation:								
At 1 April 2017	-	21,990	77,754	4,127	443	1,109	2,453	107,876
Depreciation	-	1,296	4,807	103	17	115	193	6,531
Eliminated on disposals	-	-	(9)	(259)	-	(137)	(70)	(475)
At 31 March 2018	-	23,286	82,552	3,971	460	1,087	2,576	113,932
Depreciation	-	1,446	4,718	78	19	120	204	6,585
Eliminated on disposals	-	-	(8)	-	-	-	(129)	(137)
At 31 March 2019	-	24,732	87,262	4,049	479	1,207	2,651	120,380
Impairment:								
Impairment loss balance at 1 April 2017, 31 March 2018 and 31 March 2019	-	-	11,000	-	-	-	-	11,000
Carrying amount:								
At 31 March 2019	1,899	7,546	12,683	833	122	193	354	23,630
At 31 March 2018	7	8,542	17,206	871	140	229	405	27,400
At 1 April 2017	314	9,752	21,209	813	53	222	364	32,727

Note: Relates to transfer from property, plant and equipment to inventories.

9 PROPERTY, PLANT AND EQUIPMENT

	Construction-in-progress	Leasehold buildings	Plant and machinery	Steel cylinders	Laboratory equipment	Office equipment, furniture and fittings	Motor vehicles	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Company								
Cost:								
At 1 April 2017	314	31,742	108,917	4,940	496	898	534	147,841
Additions	7	23	573	161	104	68	65	1,001
Disposals	-	-	-	(259)	-	(137)	-	(396)
Transfers (Note)	(314)	63	56	-	-	-	-	(195)
At 31 March 2018	7	31,828	109,546	4,842	600	829	599	148,251
Additions	294	450	51	40	1	61	19	916
At 31 March 2019	301	32,278	109,597	4,882	601	890	618	149,167
Accumulated depreciation:								
At 1 April 2017	-	21,990	76,995	4,127	443	730	429	104,714
Depreciation	-	1,296	4,757	103	17	64	51	6,288
Eliminated on disposals	-	-	-	(259)	-	(137)	-	(396)
At 31 March 2018	-	23,286	81,752	3,971	460	657	480	110,606
Depreciation	-	1,446	4,636	78	19	77	57	6,313
At 31 March 2019	-	24,732	86,388	4,049	479	734	537	116,919
Impairment:								
Impairment loss balance at 1 April 2017, 31 March 2018 and 31 March 2019	-	-	11,000	-	-	-	-	11,000
Carrying amount:								
At 31 March 2019	301	7,546	12,209	833	122	156	81	21,248
At 31 March 2018	7	8,542	16,794	871	140	172	119	26,645
At 1 April 2017	314	9,752	20,922	813	53	168	105	32,127

Note: Relates to transfer from property, plant and equipment to inventories.

The leasehold buildings of the group and the company comprise factory and office buildings situated at 3, Jalan Samulun, Singapore 629127 and 91 Sakra Avenue, Jurong Island, Singapore 627882. The lease expires in December 2025 and July 2027 respectively. Management believes that the group will be able to extend the lease upon expiry.

The carrying amounts of motor vehicles under finance lease agreements (Note 18) are as follows:

	Motor vehicles
	$'000
Group and Company	
At 31 March 2019	30
At 31 March 2018	48
At 1 April 2017	67

10 INVESTMENT PROPERTIES

	Total
	$'000
Group	
At fair value	
Balance at 1 April 2017	41,400
Gain from fair value adjustments included in profit or loss	6,400
Balance at 31 March 2018	47,800
Gain from fair value adjustments included in profit or loss	7,900
Balance at 31 March 2019	55,700

The fair values of the group's investment properties at 31 March 2019 and 2018 and 1 April 2017 were determined on the basis of valuations carried out at the respective year end dates by an independent valuer having an appropriate recognised professional qualification and recent experience in the location and category of the properties being valued, and not related to the group. The fair value was determined based on the market comparison approach that reflects recent transaction prices for similar properties. In estimating the fair value of the properties, the highest and best use of these properties is their current use. There has been no change to the valuation technique during the year.

Freehold and leasehold land and buildings as at 31 March 2019 and 2018 and 1 April 2017 comprise:

	Locations	Description	Tenure
a)	19 Carpenter Street Singapore 059902 Lots 99677C, 99675X, and 99674N of Town Subdivision 7	5 storey commercial building with lettable area of 18,101 square feet	Lot 99677C 99 years lease commencing from 1 January 1951 Lots 99675X and 99674N Freehold
b)	17 Upper Circular Road Singapore 058415 Lots 99776K, 99771W, and 99766C of Town Subdivision 7	5 storey commercial building with lettable area of 17,307 square feet	99 years lease commencing from 1 January 1951

The property rental income from the group's investment properties which are leased out under operating leases, amounted to $1,430,000 (2018 : $1,472,000). Direct operating expenses (including repairs and maintenance) arising from the rental-generating investment properties amounted to $217,000 (2018 : $203,000).

Details of the group's investment properties and information about the fair value hierarchy as at 31 March 2019 and 2018 and 1 April 2017 are as follows:

	Level 1	Level 2	Level 3	Fair value
	$'000	$'000	$'000	$'000
As at 31 March 2019	-	-	55,700	55,700
As at 31 March 2018	-	-	47,800	47,800
As at 1 April 2017	-	-	41,400	41,400

There were no transfers between the respective levels during the year.

The following table shows the significant unobservable input used in the valuation models for investment properties classified as Level 3 in the fair value hierarchy:

Type	Significant unobservable input	Range	Relationship of unobservable input to fair value
31 March 2019	Price per square feet of floor area	$1,394 to $2,882	The higher the price per square feet, the higher the valuation assuming all other variables are held constant.
31 March 2018	Price per square feet of floor area	$1,016 to $2,943	The higher the price per square feet, the higher the valuation assuming all other variables are held constant.
1 April 2017	Price per square feet of floor area	$1,705 to $2,721	The higher the price per square feet, the higher the valuation assuming all other variables are held constant.

The price per square feet of floor area of the group's investment properties is made by reference to the recent transaction prices for similar properties in the locality and adjusted based on valuer's knowledge of the factors specific to the group's respective properties such as location, floor area and remaining lease tenure.

11 SUBSIDIARIES

	Company		
	31 March 2019	31 March 2018	1 April 2017
	$'000	$'000	$'000
Unquoted equity shares - at cost	9,084	6,383	6,383

Details of all the company's subsidiaries are as follows:

Name of subsidiaries	Principal activity	Proportion of ownership interest and voting power held		
		31 March 2019	31 March 2018	1 April 2017
		%	%	%
Chem Transport Pte Ltd *	General carriers	100	100	100
Kimia Trading Pte. Ltd. *	General merchant, importer and exporter of chemicals	100	100	100
Chemical Industries (Myanmar) Limited **	Manufacture and wholesale of sodium hypochlorite	100	-	-
Juta Properties Private Limited *	Proprietor of commercial buildings	100	100	100
JPI Investments Pte Ltd *** (Shares held by Juta Properties Private Limited)	Dormant	100	100	100

The subsidiaries are incorporated and operating in Singapore except for Chemical Industries (Myanmar) Limited incorporated in Republic of the Union of Myanmar and JPI Investments Pte Ltd incorporated in British Virgin Islands.

* Audited by Deloitte & Touche LLP, Singapore.
** Audited by Myanmar Vigour & Associates Limited, Myanmar and incorporated during the year.
*** Not required to be audited.

12 ASSOCIATES

	Group		
	31 March 2019	31 March 2018	1 April 2017
	$'000	$'000	$'000
Unquoted equity shares - at cost	1	1	1
Share of post-acquisition reserves	(1)	(1)	(1)
	-	-	-

In 2002, management decided to cease all financial support to the associates. Accordingly, the group's share of post-acquisition reserves was limited to the group's cost of investment of $1,000 (31 March 2018 and 1 April 2017 : $1,000).

Details of the group's associates are as follows:

Name of associates	Principal activity and country of operation	Proportion of ownership interest and voting power held		
		31 March 2019	31 March 2018	1 April 2017
		%	%	%
Industrial Diamonds Enterprise B.V.I. Ltd.	Dormant (Singapore)	45	45	45
Apex Superabrasive Co., Ltd. * (Shares held by Industrial Diamonds Enterprise B.V.I. Ltd.)	Dormant (Hong Kong)	-	-	-

* De-registered during 2017.

13 PREPAID LAND LEASE

	Group		
	31 March 2019	31 March 2018	1 April 2017
	$'000	$'000	$'000
At beginning of year	-	-	-
Acquisition of land lease	1,917	-	-
Amortisation	(5)	-	-
At end of year	1,912	-	-
Less: Amount due after 12 months	(1,870)	-	-
Amount due within 12 months	42	-	-

The amortisation rate for the prepaid land lease is 2.2%.

14 AVAILABLE-FOR-SALE INVESTMENTS

	Group and Company		
	31 March 2019	31 March 2018	1 April 2017
	$'000	$'000	$'000
Quoted equity shares, at fair value	-	906	708

Investments in quoted equity securities offer the company and the group the opportunity for returns through dividend income and fair value gains. They have no fixed maturity or coupon rate. The fair value of these securities is based on the quoted closing market prices on the last market day of the financial year.

15 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group and Company		
	31 March 2019	31 March 2018	1 April 2017
	$'000	$'000	$'000
Quoted equity shares at fair value through profit or loss	831	-	-

Investments in quoted equity securities offer the company and the group the opportunity for returns through dividend income and fair value gains. They have no fixed maturity or coupon rate. The fair value of these securities is based on the quoted closing market prices on the last market day of the financial year.

16 TRADE AND OTHER PAYABLES

	Group			Company		
	31 March 2019	31 March 2018	1 April 2017	31 March 2019	31 March 2018	1 April 2017
	$'000	$'000	$'000	$'000	$'000	$'000
Trade payables	3,054	1,400	3,331	2,554	897	2,827
Accrued expenses:						
Staff-related costs	801	475	295	748	438	269
Directors' fees	365	365	371	365	365	371
Utilities charges	1,139	1,075	1,018	1,139	1,075	1,018
Other accruals	158	313	217	142	300	202
Sundry creditors	135	77	94	135	77	89
	5,652	3,705	5,326	5,083	3,152	4,776

The average credit period on purchases of goods is 30 days (2018 : 30 days). No interest is charged on the trade payables.

Trade payables comprise amounts outstanding for trade purchases.

17 CONTRACT LIABILITIES

	Group & Company		
	31 March 2019	31 March 2018	1 April 2017
	$'000	$'000	$'000
Contract liabilities	109	-	-

Contract liability mainly represents amounts billed to customers in advance.

As of 31 March 2019, there was no performance obligation that was unsatisfied or partially satisfied, other than performance obligation to be rendered in relation to the delivery of goods. As the group has the right to invoice customers based on the goods to be delivered by the group and company, the group and company have applied the practical expedient to not disclose the related unsatisfied performance obligation.

18 FINANCE LEASES

	Group					
	Minimum lease payments			Present value of minimum lease payments		
	31 March 2019	31 March 2018	1 April 2017	31 March 2019	31 March 2018	1 April 2017
	$'000	$'000	$'000	$'000	$'000	$'000
Amounts payable under finance leases:						
Within one year	11	11	92	10	10	88
In the second to fifth year inclusive	9	21	30	9	20	30
	20	32	122	19	30	118
Less: Future finance charges	(1)	(2)	(4)	-	-	-
Present value of finance lease obligations	19	30	118	19	30	118
Less: Amount due for settlement within 12 months (shown under current liabilities)				(10)	(10)	(88)
Amount due for settlement after 12 months				9	20	30

The table below details changes in the group's liability arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be classified in the group's consolidated statement of cash flows from financing activities.

	1 April 2017	Financing cash flows	31 March 2018	Financing cash flows	31 March 2019
	$'000	$'000	$'000	$'000	$'000
Finance lease liabilities (Note 18)	118	(88)	30	(11)	19

	Minimum lease payments			Present value of minimum lease payments		
	31 March 2019	31 March 2018	1 April 2017	31 March 2019	31 March 2018	1 April 2017
	$'000	$'000	$'000	$'000	$'000	$'000
Company						
Amounts payable under finance leases:						
Within one year	11	11	11	10	10	10
In the second to fifth year inclusive	9	21	32	9	20	30
	20	32	43	19	30	40
Less: Future finance charges	(1)	(2)	(3)	-	-	-
Present value of finance lease obligations	19	30	40	19	30	40
Less: Amount due for settlement within 12 months (shown under current liabilities)				(10)	(10)	(10)
Amount due for settlement after 12 months				9	20	30

It is the group's policy to lease certain of its motor vehicles under finance leases. The average lease term is 5 years (31 March 2018 and 1 April 2017 : 5 years). The effective borrowing rate ranges is 4.48% (31 March 2018 and 1 April 2017 : 2.75% to 4.48%) per annum. The finance lease obligations are secured by the property, plant and equipment under these finance lease arrangements (Note 9). Interest rates are fixed at the contract date, and thus expose the group to fair value interest rate risk. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

19 DEFERRED TAX LIABILITIES

The following are the major deferred tax liabilities recognised by the group and company, and the movements thereon, during the current and prior reporting periods:

	Accelerated tax depreciation
	$'000
Group	
At 1 April 2017	4,232
Credit to profit or loss (Note 24)	(683)
At 31 March 2018	3,549
Credit to profit or loss (Note 24)	(689)
At 31 March 2019	2,860
Company	
At 1 April 2017	4,193
Credit to profit or loss (Note 24)	(710)
At 31 March 2018	3,483
Credit to profit or loss (Note 24)	(693)
At 31 March 2019	2,790

20 SHARE CAPITAL

	Group and Company					
	31 March 2019	31 March 2018	1 April 2017	31 March 2019	31 March 2018	1 April 2017
	Number of ordinary shares			$'000	$'000	$'000
	'000	'000	'000			
Issued and paid up: At the beginning and end of the year	75,945	75,945	75,945	75,945	75,945	75,945

Fully paid ordinary shares which have no par value, carry one vote per share and a right to dividends as and when declared by the company.

21 RESERVES

Translation reserve

Exchange differences relating to translation from the functional currencies of the group's foreign subsidiaries into Singapore dollar are recorded under currency translation reserve.

Investment revaluation reserve

The investment revaluation reserve represents cumulative fair value changes of available-for-sale investments. Upon adoption of SFRS(I) 9 *Financial Instruments* on date of application (1 April 2018), the group's investments in equity instruments that were previously classified as available-for-sale investments and were measured at fair value at each reporting date under FRS 39 have been designated at FVTPL under SFRS(I) 9. Accordingly, the balance of investment revaluation reserve at 1 April 2018 has been reclassified to accumulated profits at 1 April 2018.

22 REVENUE

		Group	
		2019	2018
		$'000	$'000
Segment revenue	Timing of revenue recognition		
Industrial Chemicals			
Sale of goods	At a point in time	67,390	69,383
Properties			
Rental income	At a point in time	1,430	1,472
		68,820	70,855

23 OTHER INCOME (EXPENSE) (NET)

	Group	
	2019	2018
	$'000	$'000
Dividend income	32	22
Interest income	227	52
Fine on contravention of The Workplace Health and Safety Act	(200)	-
Net foreign exchange gain (loss)	139	(611)
Gain on disposal of property, plant and equipment	19	9
Provision for doubtful trade receivables	-	(603)
Loss allowance	(64)	-
Others	323	386
	476	(745)

24 INCOME TAX EXPENSE

	Group	
	2019	2018
	$'000	$'000
Income tax expense:		
Current	1,366	1,248
Overprovision in prior years	-	(36)
	1,366	1,212
Deferred tax credit (Note 19):		
Current	(689)	(683)
Total income tax expense	677	529

Domestic income tax is calculated at 17% (2018 : 17%) of the estimated assessable income for the year.

The total expense for the year can be reconciled to the accounting profit as follows:

	Group	
	2019	2018
	$'000	$'000
Profit before income tax	11,366	9,770
Income tax expense calculated at 17%	1,932	1,661
Effects of items that are not taxable in determining taxable profit	(1,267)	(1,041)
Effect of revenue that is exempted from taxation	(57)	(78)
Overprovision in prior years	-	(36)
Tax rebate	-	(30)
Others	69	53
Income tax expense recognised in profit or loss	677	529

25 PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging (crediting):

	Group	
	2019	2018
	$'000	$'000
Depreciation of property, plant and equipment	6,585	6,531
Directors' remuneration	1,908	2,035
Directors' fees	365	365
Employee benefits expense (including directors' remuneration)	8,857	8,512
Costs of defined contribution plans included in employee benefits expense	490	493
Audit fees paid to auditors of the company	57	57
Non-audit fees paid to auditors of the company	15	15
Cost of inventories recognised as an expense	27,421	28,358
Net foreign exchange (gain) loss	(139)	611

26 DIVIDENDS PAID

During the financial year ended 31 March 2019, the company paid a final one-tier tax exempt dividend of 1.5 cent per share on the ordinary shares of the company totalling $1,139,000 in respect of the financial year ended 31 March 2018.

During the financial year ended 31 March 2018, the company paid a final one-tier tax exempt dividend of 3 cent per share on the ordinary shares of the company totalling $2,278,000 in respect of the financial year ended 31 March 2017.

During the financial year ended 31 March 2017, the company paid an interim one-tier tax exempt dividend of 12 cent per share on the ordinary shares of the company totalling $9,113,000 in respect of the financial year ended 31 March 2017, and a final one-tier tax exempt dividend at 3 cent per share and a special dividend of 5 cent per share on the ordinary shares of the company totalling $6,076,000 in respect of the financial year ended 31 March 2016.

27 EARNINGS PER SHARE

The calculation of basic and fully diluted earnings per share is based on the group's profit attributable to equity holders of the company divided by the weighted average number of ordinary shares in issue during the year.

	Group	
	2019	2018
	$'000	$'000
Profit attributable to equity holders of the company ($'000)	10,689	9,241
Weighted average number of ordinary shares used to compute basic and fully diluted earnings per share ('000)	75,945	75,945
Earnings per share (cents)	14.07	12.17

28 SEGMENT INFORMATION

Information reported to the group's chief operating decision maker for the purposes of resource allocation and assessment of segment performance is organised into two operating segments - Industrial Chemicals and Properties.

Industrial Chemicals segment is involved in the manufacture and sales of chemicals. Properties segment is involved in the business of managing and renting of commercial properties.

Accordingly, the above are the group's reportable segments under SFRS(I) 8 *Operating Segments*. Information regarding the group's reportable segments is presented below. There is no change to amounts reported for the prior year as the segment information reported internally is provided to the group's chief operating decision maker on a similar basis.

Segment revenue and results	Revenue		Profit	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Industrial Chemicals	67,390	69,383	2,288	2,331
Properties	1,430	1,472	8,820	7,368
Total	68,820	70,855	11,108	9,699
Interest income			227	52
Dividend income			32	22
Finance costs			(1)	(3)
Profit before income tax			11,366	9,770
Income tax expense			(677)	(529)
Consolidated revenue and profit for the year	68,820	70,855	10,689	9,241

Revenue reported above represents revenue generated from external customers. There were no intersegment sales in 2019 and 2018.

The accounting policies of the reportable segments are the same as the group's accounting policies described in Note 2. Segment profit represents profit earned by each segment without allocation of interest income, dividend income, finance costs and income tax expense.

Segment assets

	31 March 2019	31 March 2018	1 April 2017
	$'000	$'000	$'000
Industrial Chemicals	71,249	68,080	70,433
Properties	58,289	50,451	44,488
Total segment assets	129,538	118,531	114,921
Unallocated assets	831	906	708
Consolidated assets	130,369	119,437	115,629

All assets are allocated to reportable segments other than available-for-sale investments (Note 14) or financial assets at FVTPL (Note 15).

Other segment information

	Capital expenditure			Depreciation	
	2019	2018	2017	2019	2018
	$'000	$'000	$'000	$'000	$'000
Industrial Chemicals	2,765	1,345	1,847	6,523	6,468
Properties	50	56	25	62	63
	2,815	1,401	1,872	6,585	6,531

Information about major customers

44.2% (2018 : 50%) of the group's industrial chemicals revenue is generated from top 4 (2018 : 4) customers.

84% (2018 : 86%) of the group's properties revenue is generated from top 6 (2018 : 6) customers.

Geographical information

The group operates in two principal geographical areas - Singapore (country of domicile) and Myanmar.

	Revenue		Non-current assets		
	2019	2018	31 March 2019	31 March 2018	1 April 2017
	$'000	$'000	$'000	$'000	$'000
Singapore	68,820	70,855	78,423	76,106	74,835
Myanmar	-	-	3,608	-	-
	68,820	70,855	82,031	76,106	74,835

29 OPERATING LEASE ARRANGEMENTS

The group as a lessee	Group and Company	
	2019	2018
	$'000	$'000
Payment recognised as an expense during the year:		
Minimum lease payments under operating leases	1,008	1,028

At the end of the reporting period, commitments in respect of operating lease for its leasehold land are as follows:

	Group and Company	
	2019	2018
	$'000	$'000
Within one year	1,053	1,007
In the second to fifth year inclusive	4,211	4,029
After the fifth year	4,227	3,550
	9,491	8,586

Leases are negotiated for a term ranging from thirty years to forty five years and rentals are fixed for an average of one year.

The group as lessor

The group rents out its investment properties under operating leases. Property rental income earned during the year was $1,430,000 (2018 : $1,472,000).

At the end of the reporting period, the group has contracted with tenants for the following future minimum lease payments:

	Group	
	2019	2018
	$'000	$'000
Within one year	1,204	1,113
In the second to fifth year	742	775
	1,946	1,888

30 COMMITMENTS

	Group	
	2019	2018
	$'000	$'000
Estimated expenditure contracted for property, plant and equipment	153	-

31 ADOPTION OF A NEW FINANCIAL REPORTING FRAMEWORK

The group and the company adopted the new financial reporting framework - Singapore Financial Reporting Standards (International) ("SFRS(I)") for the first time for financial year ended 31 March 2019 and SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)* has been applied in the first set of SFRS(I) financial statements. SFRS(I) is identical to the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (IASB).

As a first-time adopter of SFRS(I), the group and the company have applied retrospectively, accounting policies based on each SFRS(I) effective as at end of the first SFRS(I) reporting period (31 March 2019), except for areas of exceptions and optional exemptions set out in SFRS(I) 1. In the first set of SFRS(I) financial statements for the financial year ended 31 March 2019, an additional opening statement of financial position as at date of transition (1 April 2017) is presented, together with related notes. Reconciliation statements from previously reported FRS amounts and explanatory notes on transition adjustments are presented for equity as at date of transition (1 April 2017) and as at end of last financial period under FRS (31 March 2018), and for total comprehensive income and cash flows reported for the last financial period under FRS (for the year ended 31 March 2018). Additional disclosures are made for specific transition adjustments if applicable.

There is no change to the group's and the company's previous accounting policies under FRS or material adjustments on the initial transition to the new framework, other than those arising from the application of SFRS(I) 9 and SFRS(I) 15 which are effective at the same time, and the election of certain transition options available under SFRS(I) 1.

Management has elected the following transition exemption:

- As permitted under SFRS(I) 1, the transaction price allocated to (partially) unsatisfied performance obligations as of 31 March 2018 is not disclosed using the transition provisions of SFRS(I) 15.

- Option to reset the cumulative foreign currency translation reserve to zero at the date of transition, resulting in the cumulative translation reserve arising from translation differences for all foreign operations to be reclassified to retained earnings at 1 April 2017.

The effects of transition to SFRS(I) and the initial application of SFRS(I) 9 are presented and explained below.

Group

(A) Impact on the Statement of Financial Position as at 1 April 2017 (date of transition to SFRS(I))

	As previously reported under FRS	Application of SFRS(I) 1	(Note)	As adjusted under SFRS(I)
	$'000	$'000		$'000
Current assets				
Cash and cash equivalents	26,267	-		26,267
Trade and other receivables	9,860	-		9,860
Inventories	4,667	-		4,667
Total current assets	40,794	-		40,794
Non-current assets				
Property, plant and equipment	32,727	-		32,727
Investment properties	41,400	-		41,400
Associates	-	-		-
Available-for-sale investments	708	-		708
Total non-current assets	74,835	-		74,835
Total assets	115,629	-		115,629
Current liabilities				
Trade and other payables	5,326	-		5,326
Finance leases	88	-		88
Income tax payable	4,481	-		4,481
Total current liabilities	9,895	-		9,895
Non-current liabilities				
Finance leases	30	-		30
Deferred tax liabilities	4,232	-		4,232
Total non-current liabilities	4,262	-		4,262
Capital and reserves				
Share capital	75,945	-		75,945
Reserves	983	(451)	(a)	532
Accumulated profits	24,544	451	(a)	24,995
Total equity	101,472	-		101,472
Total liabilities and equity	115,629	-		115,629

Group

(B) Impact on the Statement of Financial Position as at 31 March 2018 (end of last period reported under FRS)

	As previously reported under FRS	Initial application of SFRS(I) 1	(Note)	As adjusted under SFRS(I)
	$'000	$'000		$'000
Current assets				
Cash and cash equivalents	23,273	-		23,273
Trade and other receivables	10,625	-		10,625
Inventories	9,433	-		9,433
Total current assets	43,331	-		43,331
Non-current assets				
Property, plant and equipment	27,400	-		27,400
Investment properties	47,800	-		47,800
Available-for-sale investments	906	-		906
Total non-current assets	76,106	-		76,106
Total assets	119,437	-		119,437
Current liabilities				
Trade and other payables	3,705	-		3,705
Finance leases	10	-		10
Income tax payable	3,532	-		3,532
Total current liabilities	7,247	-		7,247
Non-current liabilities				
Finance leases	20	-		20
Deferred tax liabilities	3,549	-		3,549
Total non-current liabilities	3,569	-		3,569
Capital and reserves				
Share capital	75,945	-		75,945
Reserves	1,169	(451)	(a)	718
Accumulated profits	31,507	451	(a)	31,958
Total equity	108,621	-		108,621
Total liabilities and equity	119,437	-		119,437

Group

(C) Impact on the Statement of Financial Position as at 1 April 2018 (date of initial application of SFRS(I) 9)

	As previously reported under FRS	Initial application of SFRS(I) 9	(Note)	As adjusted under SFRS(I)
	$'000	$'000		$'000
Current assets				
Cash and cash equivalents	23,273	-		23,273
Trade and other receivables	10,625	(80)	(c)	10,545
Inventories	9,433	-		9,433
Total current assets	43,331	(80)		43,251
Non-current assets				
Property, plant and equipment	27,400	-		27,400
Investment properties	47,800	-		47,800
Available-for-sale investments	906	-		906
Total non-current assets	76,106	-		76,106
Total assets	119,437	(80)		119,357
Current liabilities				
Trade and other payables	3,705	-		3,705
Finance leases	10	-		10
Income tax payable	3,532	-		3,532
Total current liabilities	7,247	-		7,247
Non-current liabilities				
Finance leases	20	-		20
Deferred tax liabilities	3,549	-		3,549
Total non-current liabilities	3,569	-		3,569
Capital and reserves				
Share capital	75,945	-		75,945
Reserves	1,169	(718)	(b)	451
Accumulated profits	31,507	638	(b), (c)	32,145
Total equity	108,621	(80)		108,541
Total liabilities and equity	119,437	(80)		119,357

Company

(D) Impact on the Statement of Financial Position as at 1 April 2018 (date of initial application of SFRS(I) 9)

	As previously reported under FRS	Initial application of SFRS(I) 9	(Note)	As adjusted under SFRS(I)
	$'000	$'000		$'000
Current assets				
Cash and cash equivalents	20,654	-		20,654
Trade and other receivables	10,518	(80)	(c)	10,438
Due from subsidiaries	4,699	-		4,699
Inventories	9,595	-		9,595
Total current assets	45,466	(80)		45,386
Non-current assets				
Property, plant and equipment	26,645	-		26,645
Subsidiaries	6,383	-		6,383
Available-for-sale investments	906	-		906
Total non-current assets	33,934	-		33,934
Total assets	79,400	(80)		79,320
Current liabilities				
Trade and other payables	3,152	-		3,152
Due to subsidiaries	186	-		186
Finance leases	10	-		10
Income tax payable	3,309	-		3,309
Total current liabilities	6,657	-		6,657
Non-current liabilities				
Finance leases	20	-		20
Deferred tax liabilities	3,483	-		3,483
Total non-current liabilities	3,503	-		3,503
Capital and reserves				
Share capital	75,945	-		75,945
Reserves	718	(718)	(b)	-
Accumulated losses	(7,423)	638	(b), (c)	(6,785)
Total equity	69,240	(80)		69,160
Total liabilities and equity	79,400	(80)		79,320

Notes to the reconciliations:

SFRS(I) 1

(a) Management has elected the option to reset cumulative foreign currency translation reserve to zero at the date of transition, resulting in the cumulative translation reserve arising from translation differences for all foreign operations to be reclassified to retained earnings at 1 April 2017.

SFRS(I) 9

(b) The group's investments in equity instruments that were previously classified as available-for- sale investments and were measured at fair value at each reporting date under FRS39 have been designated as at FVTPL under SFRS(I) 9.

(c) The application of the SFRS(I) 9 impairment requirements has resulted in additional loss allowance to be recognised.

32 STANDARDS ISSUED BUT NOT EFFECTIVE

At the date of authorisation of these financial statements, the following SFRS(I) pronouncements were issued but not effective and are expected to have an impact to the group and the company in the periods of their initial application.

Effective for annual periods beginning on or after 1 January 2019

- SFRS(I) 16 *Leases*
- SFRS(I) INT 23 *Uncertainty over Income Tax Treatments*

Management anticipates that the adoption of the above SFRS(I)s, SFRS(I) INTs and amendments to SFRS(I) in future periods will not have a material impact on the financial statements of the group and of the company in the period of their initial adoption except for the following:

SFRS(I) 16 *Leases*

The Standard provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. The identification of leases, distinguishing between leases and service contracts, are determined on the basis of whether there is an identified asset controlled by the customer.

Significant changes to lessee accounting are introduced, with the distinction between operating and finance leases removed and assets and liabilities are recognised in respect of all leases (subject to limited exemptions for short-term leases and leases of low value assets). The Standard maintains substantially the lessor accounting approach under the existing framework.

Management anticipates that the initial application of the new SFRS(I) 16 will result in changes to the accounting policies relating to operating leases, where the group is a lessee. A leased asset will be recognised on statement of financial position, representing the group's right to use the leased asset over the lease term and, recognise a corresponding liability to make lease payments. Additional disclosures will also be made if the group's exposure to asset risk and credit risk, where the group is the lessor.

SFRS(I) INT 23 *Uncertainty over Income Tax Treatments*

The Interpretation provides guidance on determining the accounting tax position when there is uncertainty over income tax treatments.

The Interpretation requires an entity to:

- determine whether uncertain tax positions are assessed separately or as a group; and

- assess whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by an entity in its income tax filings:

- if probable, the entity should determine its accounting tax position consistently with the tax treatment used or planned to be used in its income tax filings.

- if not probable, the entity should reflect the effect of uncertainty in determining its accounting tax position.

Management anticipates that the initial application of the new SFRS(I) 23 *Uncertainty over Income Tax Treatments* may result in changes to the accounting policies relating to income taxes.

FINANCIAL PROFILE

Unit: $'000

	2019	2018	2017	2016	2015
Revenue	68,820	70,855	58,128	78,390	86,739
Profit before tax	11,366	9,770	10,040	14,220	9,299
Tax expense	(677)	(529)	(1,175)	(1,511)	(1,194)
Profit for the year	10,689	9,241	8,865	12,709	8,105
Attributable to:					
Equity holders of the company	10,689	9,241	8,865	12,709	8,105
ASSETS					
Property, plant and equipment	23,630	27,400	32,727	37,188	57,053
Investment properties	55,700	47,800	41,400	39,800	40,700
Prepaid land lease	1,870	-	-	-	-
Available-for-sale investments	-	906	708	602	715
Financial assets at fair value through profit or loss ("FVTPL")	831	-	-	-	-
Current Assets	48,338	43,331	40,794	64,160	45,469
Total assets	130,369	119,437	115,629	141,750	143,937
LIABILITIES					
Deferred tax liabilities	2,860	3,549	4,232	4,925	8,352
Non-current liabilities	9	20	30	118	10,132
Current liabilities	9,398	7,247	9,895	29,008	29,201
Total liabilities	12,267	10,816	14,157	34,051	47,685
CAPITAL AND RESERVES					
Share Capital	75,945	75,945	75,945	75,945	75,945
Reserves	11	718	532	886	1,009
Accumulated profits	42,146	31,958	24,995	30,868	19,298
Total equity	118,102	108,621	101,472	107,699	96,252
Per Share:	cts	cts	cts	cts	cts
Earnings before tax	14.97	12.86	13.22	18.72	12.24
Earnings after tax	14.07	12.17	11.67	16.73	10.67
Dividend (net)	1.5	1.5	15.0	8.0	1.5
Net tangible asset per share	156	143	134	142	127

SHAREHOLDIN STATISTICS
AS AT 23 MAY 2019

ISSUED AND FULLY PAID-UP CAPITAL	**S$75,945,399**
NUMBER OF SHARES ISSUED	**75,945,399**
CLASS OF SHARE	**ORDINARY SHARES WITH EQUAL VOTING RIGHTS**
NO. OF TREASURY SHARES	**NIL**

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	% OF SHAREHOLDERS	NO. OF SHARES	% OF SHARES
1 - 99	66	5.88	2,336	0.00
100 - 1,000	241	21.48	145,774	0.19
1,001 - 10,000	534	47.59	2,306,802	3.04
10,001 - 1,000,000	276	24.60	16,848,318	22.19
1,000,001 and above	5	0.45	56,642,169	74.58
TOTAL	1,122	100.00	75,945,399	100.00

TWENTY LARGEST SHAREHOLDERS

NAME OF SHAREHOLDERS	NO. OF SHARES	% OF SHARES
S. P. LIM & COMPANY PTE LTD	30,293,500	39.89
DBS NOMINEES PTE LTD	17,241,061	22.70
UOB KAY HIAN PTE LTD	4,979,690	6.56
LIM SOO PENG	3,114,250	4.10
LAU GEOK CHENG	1,013,668	1.33
DBS VICKERS SECURITIES (S) PTE LTD	948,700	1.25
CHEW SENG HOCK	849,950	1.12
CHIA KEE KOON	673,000	0.89
EASTERN RUBBER COMPANY (MALAYA) PTE LIMITED	550,000	0.72
MICHAEL LIN DAOJI	457,100	0.60
UNITED OVERSEAS BANK NOMINEES PTE LTD	370,471	0.49
NG KEE SENG	368,000	0.49
PHILIPS SECURITIES PTE LTD	326,417	0.43
YEE LAT SHING	300,000	0.40
THIO DJOE ENG	268,687	0.35
CHENG HON SANG	262,800	0.35
LEE SOON HIAN	258,900	0.34
YEO TECK KIM	250,050	0.33
LIAW PAK CHAN	231,000	0.30
CGS-CIMB SECURITIES (S) PTE LTD	213,075	0.28
TOTAL	**62,970,319**	**82.92**

PERCENTAGE OF SHARES HELD BY THE PUBLIC
Based on information available to the Company as at 23 May 2019, approximately 27.44% of the Company's shares are held in the hands of the public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

SUBSTANTIAL SHAREHOLDERS AS AT 23 MAY 2019
(As recorded in the Register of Substantial Shareholders)

NAME OF SUBSTANTIAL SHAREHOLDERS	Direct Interest	%	Deemed Interest	%
Lim Soo Peng	3,114,250	4.10	32,743,500[1]	43.11
S.P. Lim & Company Pte Ltd	30,293,500	39.89		
The Great Eastern Life Assurance Co Ltd	13,479,304	17.75		
Lion Capital Management Ltd			13,479,304[2]	17.75
Oversea-Chinese Banking Corporation Ltd			13,479,304[2]	17.75
Great Eastern Holdings Ltd			13,479,304[2]	17.75
Batu Kawan Berhad	4,976,000	6.55		
Tan Sri Dato’ Seri Lee Oi Hian			4,976,000[3]	6.55
Dato’ Lee Hau Hian			4,976,000[3]	6.55
Arusha Enterprise Sdn Bhd			4,976,000[3]	6.55
Di-Yi Sdn Bhd			4,976,000[3]	6.55
High Quest Holdings Sdn Bhd			4,976,000[3]	6.55
Wan Hin Investments Sdn Berhad			4,976,000[3]	6.55

[1]This represent Lim Soo Peng’s deemed interest in (a) the 30,293,500 shares held by S.P. Lim & Company Pte Ltd, (b) the 550,000 shares held by Eastern Rubber Company (Malaya) Pte Ltd and (c) the 1,900,000 shares registered in the name of DBS Nominees (S) Pte Ltd.

[2]This represent the 13,479,304 shares held by The Great Eastern Life Assurance Co Ltd.

[3]This represent the 4,976,000 shares held by Batu Kawan Berhad.

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CHEMICAL INDUSTRIES (FAR EAST) LIMITED

(the "Company")

(Incorporated in the Republic of Singapore)

Registration No. 196200046K

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at the Registered Office of the Company at 3 Jalan Samulun, Singapore 629127, on Friday, 28 June 2019 at 10.30 a.m. for the following purposes: -

A G E N D A

As Ordinary Business

1. To receive and adopt the Audited Financial Statements and Directors' Statement of the Company for the financial year ended 31 March 2019 together with the Auditors' Report thereon.
(Resolution 1)

2. To approve Directors' fee of S$365,000 (2018: S$365,000) for the financial year ended 31 March 2019.
(Resolution 2)

3. To declare a final dividend (one-tier tax exempt) of 1.5 cents per ordinary share for the financial year ended 31 March 2019 (2018: final dividend (one-tier tax exempt) of 1.5 cents per ordinary share).
(Resolution 3)

4. To re-elect Mr Lim Soo Peng, a Director retiring pursuant to Article 95(2) of the Constitution of the Company.
(Resolution 4)
(See Explanatory Note 1)

To note the retirement of Mr Tay Kah Chye as Director pursuant to Article 95(2) of the Company's Constitution, who has indicated that he will not be standing for re-election at the forthcoming AGM.

5. To re-appoint Deloitte & Touche LLP as auditors of the Company to hold office until the next Annual General Meeting and to authorise the Directors to fix their remuneration.
(Resolution 5)

AS SPECIAL BUSINESS

To consider, and if thought fit, to pass the following resolutions as Ordinary Resolutions with or without amendments: -

6. **Authority to allot and issue shares**

(a) That pursuant to Section 161 of the Companies Act, Cap. 50, and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), approval be and is hereby given to the Directors of the Company at any time to such persons and upon such terms and for such purposes as the Directors may in their absolute discretion deem fit, to:

(i) issue shares in the capital of the Company whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options that might or would require shares to be issued or other transferable rights to subscribe for or purchase shares (collectively, "Instruments") including but not limited to the creation and issue of warrants, debentures or other instruments convertible into shares; and/or

(iii) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalisation issues; and

(b) (notwithstanding the authority conferred by the shareholders may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while the authority was in force, provided always that:

(i) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings), of which the aggregate number of shares (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) to be issued other than on a pro rata basis to shareholders of the Company does not exceed 20% of the total number of issued shares (excluding treasury shares and subsidiary holdings), and for the purpose of this Resolution, the total number of issued shares (excluding treasury shares and subsidiary holdings) shall be the Company's total number of issued shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed, after adjusting for;

(A) new shares arising from the conversion or exercise of convertible securities,

(B) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time this Resolution is passed provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST, and

(C) any subsequent bonus issue, consolidation or subdivision of the Company's shares.

(ii) such authority shall, unless revoked or varied by the Company at a general meeting, continue in force until the conclusion of the next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

(Resolution 6)
(See Explanatory Note 2)

7. To transact any other business.

BY ORDER OF THE BOARD

FOO SOON SOO
Company Secretary

12 June 2019

EXPLANATORY NOTES:-

1. Mr Lim Soo Peng, will upon re-election as a Director of the Company, remain as Executive Chairman and Managing Director and a member of Nominating Committee. Details of Mr Lim are as follows:

Date of appointment	16 March 1962
Date of last re-appointment	30 June 2016
Age	90
Country of principal residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	Please refer to the Corporate Governance section in the Company's 2019 Annual Report
Whether appointment is executive, if so, the area of responsibility	Yes, responsible for operations of the Group
Job Title	Executive Chairman and Managing Director
Professional qualifications	None
Working experience and occupation(s) during the past 10 years	Please refer to the Board of Directors section in the Company's 2019 Annual Report
Shareholding interest in the listed issuer and its subsidiaries	Direct interest of 3,114,250 shares, 4.1% and deemed interest of 32,743,500 shares, 43.11%
Any relationship (including immediate family relationships) with any existing director, existing executive office, the issuer and/or substantial shareholder of the listed issuer or of any of its principle subsidiaries	Father of Executive Director, Mr Lim Yew Khang Cecil Uncle of Executive Director, Mr Lim Yew Tee Collin Grandfather of General Manager, Mr Lin Yinjun Benjamin
Conflict of interests (including any competing business)	None
Undertaking submitted o the listed issuer in the form of Appendix 7.7 (Listing Rule 704(7))	Yes
Other Principal Commitments including Directorship	Past (for the last 5 years) None Present Non-Listed Company • Subsidiaries of Chemical Industries (Far East) Limited • S.P. Lim & Company Pte Ltd • Eastern Rubber Company (Malaya) Pte Limited
Mr Lim had responded negative to items (a) to (k) listed in Appendix 7.4.1. (Announcement of Appointment) of the Listing Manual of the SGX-ST.	

2. Resolution 6, if passed, will empower the Directors of the Company from the date of the above Meeting until the next Annual General Meeting to issue shares and convertible securities in the Company up to an amount not exceeding in aggregate 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company of which the total number of convertible securities issued other than on a pro rata basis to existing shareholders shall not exceed 20% of the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company at the time the resolution is passed, for such purposes as they consider would be in the interests of the Company. The total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company for this purpose shall be the total number of issued shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed (after adjusting for new shares arising from the conversion or exercise of convertible securities or share options which are outstanding or subsisting at the time this Resolution is passed and any subsequent bonus issues, consolidation or subdivision of the Company's shares). This authority will, unless revoked or varied at a general meeting, expire at the next Annual General Meeting of the Company.

NOTES:

1. A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

2. A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50.

3. A proxy need not be a member of the Company.

4. The instrument appointing a proxy/proxies must be deposited at the registered office of the Company at 3 Jalan Samulun, Singapore 629127 not later than 48 hours before the time set for the meeting.

5. The instrument appointing a proxy/proxies must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy/proxies is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorised.

6. A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at 72 hours before the time fixed for holding the Annual General Meeting in order for the Depositor to be entitled to attend and vote at the Annual General Meeting.

7. An investor who buys shares using CPF monies ("CPF Investor") and/or SRS monies ("SRS Investor") (as may be applicable) may attend and cast his/her vote(s) at the Annual General Meeting in person as proxy of his/her CPF and/or SRS Approved Nominee. CPF and SRS Investors who are unable to attend the Annual General Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the Annual General Meeting.

NOTICE OF BOOKS CLOSURE

NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members of Chemical Industries (Far East) Limited (the "Company") will closed on 10 July 2019 after 5.00 p.m. for the preparation of dividend warrants.

Duly completed registrable transfers received by the Company's Share Registrar, B.A.C.S. Private Limited of 8 Robinson Road, #03-00 ASO Building, Singapore 048544 up to 5.00 p.m. on 10 July 2019 will be registered to determine shareholders' entitlements to the proposed final dividend. Members whose securities accounts with The Central Depository (Pte) Limited credited with shares in the Company at 5.00 p.m. on 10 July 2019 will be entitled to such proposed final dividends.

Payment of the proposed final dividends, if approved by shareholders at the Annual General Meeting to be held on 28 June 2019 will be paid on 18 July 2019.

BY ORDER OF THE BOARD

FOO SOON SOO
Company Secretary

23 May 2019

CHEMICAL INDUSTRIES (FAR EAST) LIMITED.

(Incorporated in the Republic of Singapore)
Co. Registration No. 196200046K

IMPORTANT

1. *Relevant intermediaries as defined in Section 181 of the Companies Act, Chapter 50 may appoint more than two proxies to attend the meeting and vote.*
2. *For investors who have used their CPF monies and/or SRS monies to buy shares in Chemical Industries (Far East) Limited., this Annual Report is forwarded to them at the request of their CPF and/or SRS Approved Nominees.*
3. *This Proxy Form is not valid for use by CPF and SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them.*

PROXY FORM
ANNUAL GENERAL MEETING

(You are advised to read the notes on the next page before completing this form)

I/We, ____

of ____

being a member/members of **CHEMICAL INDUSTRIES (FAR EAST) LIMITED.** (the "Company"), hereby appoint:

Name	Address	NRIC/ Passport No.	Proportion of Shareholdings (%)

and/or (delete as appropriate)

as my/our proxy/proxies, to vote for me/us on my/our behalf at the Annual General Meeting ("AGM") of the Company to be held at 3 Jalan Samulun, Singapore 629127 on Friday, 28 June 2019 at 10.30 a.m. and at any adjournment thereof.

*I/We direct *my/our *proxy/proxies to vote for or against the resolutions to be proposed at the Annual General Meeting as indicated with an (x) or (√) in the spaces provided hereunder. If no specified directions as to voting are given, the proxy/proxies will vote or abstain from voting at his/their discretion.

No.	Ordinary Resolutions	For	Against
1.	To receive and adopt the Audited Financial Statements and Directors' Statement of the Company for the financial year ended 31 March 2019 together with the Auditors' Report thereon.		
2.	To approve Directors' fee of S$365,000 for the financial year ended 31 March 2019.		
3.	To declare a final dividend (one-tier tax-exempt) of 1.5 cents per ordinary share for the financial year ended 31 March 2019.		
4.	To re-elect Mr Lim Soo Peng as a Director.		
5.	To re-appoint Deloitte & Touche LLP as Auditors of the Company and to authorise the Directors to fix their remmuneration.		
Special Business			
6.	To authorise Directors to allot and issue shares pursuant to Section 161 of the Companies Act, Chapter 50.		

Dated this ____________ day of ____________ 2019.

Total Number of Shares Held

____
Signature(s) of Member(s)/Common Seal

NOTES:

1. A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

2. A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 (the "Companies Act").

3. A proxy need not be a member of the Company.

4. The instrument appointing a proxy/proxies must be deposited at the registered office of the Company at 3 Jalan Samulun, Singapore 629127 not later than 48 hours before the time set for the meeting.

5. The instrument appointing a proxy/proxies must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy/proxies is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorised.

6. A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at 72 hours before the time fixed for holding the meeting in order for the Depositor to be entitled to attend and vote at the meeting. A Depositor shall not be regarded as a member of the Company entitled to attend the meeting and to speak and vote thereat unless his name appears on the Depository Register 72 hours before the time set for the meeting.

7. An investor who buys shares using CPF monies ("CPF Investor") and/or SRS monies ("SRS Investor") (as may be applicable) may attend and cast his/her vote(s) at the meeting in person. CPF and SRS Investors who are unable to attend the meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the meeting.

8. Completion and return of this instrument appointing a proxy or proxies shall not preclude a member from attending and voting at the meeting. Any appointment of a proxy/proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy, to the meeting.

9. A corporation which is a member of the Company may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the meeting, in accordance with its Constitution and Section 179 of the Companies Act.

10. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (maintained by The Central Depository (Pte) Limited), he/she should insert that number of shares. If the member has shares registered in his/her name in the Register of Members (maintained by or on behalf of the Company), he/she should insert that number of shares. If the member has shares entered against his/her name in the Depository Register and shares registered in his name in the Register of Members of the Company, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member of the Company.

    The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies.

Personal data privacy:
By submitting an instrument appointing a proxy(ies) and /or representative(s) to attend, speak and vote at the meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

fold here *fold here*

Affix
Postage
Stamp

The Company Secretary
CHEMICAL INDUSTRIES (FAR EAST) LIMITED.
3 Jalan Samulun
Singapore 629127