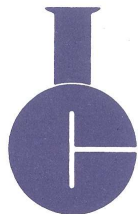


CHEMICAL INDUSTRIES (FAR EAST) LIMITED.
化学工业(远东)有限公司

CHEMICAL INDUSTRIES (FAR EAST) LIMITED

(Company registration no. 196200046K)

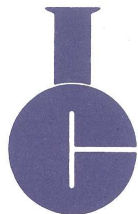
**Condensed Financial Statements
For the six months and full year ended 31 March 2023**



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

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A. Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Note	Group		Change %	Group		Change %
		Second half			Full year		
		2023	2022		2023	2022	
		\$'000	\$'000		\$'000	\$'000	
Revenue	4	49,736	50,235	(1.0)	100,034	85,000	17.7
Cost of sales		(48,688)	(37,231)	30.8	(93,105)	(62,927)	48.0
Gross profit		1,048	13,004	(91.9)	6,929	22,073	(68.6)
Other income	11	7,978	3,095	158	9,221	4,309	114
Distribution expenses		(2,858)	(3,136)	(8.9)	(6,218)	(6,138)	1.3
Administrative expenses	12	(2,972)	(5,340)	(44.3)	(5,799)	(14,279)	(59.4)
Finance costs		(1)	(77)	(98.7)	(67)	(154)	(56.5)
Profit before tax	6	3,195	7,546	(57.6)	4,066	5,811	(30.0)
Income tax (expense) credit	7	(237)	1,857	n.m.	(512)	989	n.m.
Profit for the period/year, attributable to owners of the company		2,958	9,403	(68.5)	3,554	6,800	(47.7)
Other comprehensive income (loss), net of tax							
<u>Item that may be reclassified subsequently to profit or loss</u>							
Exchange differences on translation of foreign operations		219	52	n.m.	29	(7)	n.m.
Total comprehensive income for the period/year, attributable to owners of the company		3,177	9,455	n.m.	3,583	6,793	n.m.
Earnings per share:							
Basic and diluted earnings per share (cents)		3.89	12.38		4.68	8.95	

n.m. denotes Not Meaningful

CHEMICAL INDUSTRIES (FAR EAST) LIMITED

B. Condensed Statements of Financial Position

		Group		Company	
	Note	FY2023 \$'000	FY2022 \$'000	FY2023 \$'000	FY2022 \$'000
<u>ASSETS</u>					
Current assets					
Cash and cash equivalents		29,442	44,977	19,720	39,769
Trade and other receivables		18,814	18,501	18,423	17,852
Due from subsidiaries		-	-	6,401	4,733
Inventories		8,501	9,968	8,072	9,759
Total current assets		56,757	73,446	52,616	72,113
Non-current assets					
Property, plant and equipment	12	20,933	20,095	20,130	19,020
Investment properties	11	64,500	58,100	-	-
Subsidiaries	13	-	-	6,383	6,383
Accrued revenue		2,845	-	2,845	-
Financial assets at fair value through profit or loss ("FVTPL")	10	953	1,009	953	1,009
Total non-current assets		89,231	79,204	30,311	26,412
Total assets		145,988	152,650	82,927	98,525
Current liabilities					
Trade and other payables		7,695	13,681	6,569	12,898
Contract liabilities		912	208	80	208
Lease liabilities		995	892	995	892
Income tax payable		153	1,771	-	1,641
Total current liabilities		9,755	16,552	7,644	15,639
Non-current liabilities					
Lease liabilities		2,596	3,801	2,596	3,801
Deferred tax liabilities		2,169	1,906	2,062	1,799
Total non-current liabilities		4,765	5,707	4,658	5,600
Capital and reserves					
Share capital	14	75,945	75,945	75,945	75,945
Translation reserve		20	(9)	-	-
Accumulated profits (losses)		55,503	54,455	(5,320)	1,341
Total equity		131,468	130,391	70,625	77,286
Total liabilities and equity		145,988	152,650	82,927	98,525

CHEMICAL INDUSTRIES (FAR EAST) LIMITED

C. Condensed Statements of Changes in Equity

	Note	Share capital \$'000	Translation reserves \$'000	Accumulated profits \$'000	Attributable to equity holders of the company \$'000
<u>GROUP</u>					
Balance at 1 April 2022		75,945	(9)	54,455	130,391
<u>Total comprehensive income for the year</u>					
Profit for the year		-	-	3,554	3,554
Other comprehensive income		-	29	-	29
Total		-	29	3,554	3,583
Dividends paid, representing transactions with owners, recognised directly in equity	8	-	-	(2,506)	(2,506)
Balance as at 31 March 2023		75,945	20	55,503	131,468
Balance at 1 April 2021		75,945	(2)	48,794	124,737
<u>Total comprehensive income for the year</u>					
Profit for the year		-	-	6,800	6,800
Other comprehensive loss		-	(7)	-	(7)
Total		-	(7)	6,800	6,793
Dividends paid, representing transactions with owners, recognised directly in equity	8	-	-	(1,139)	(1,139)
Balance as at 31 March 2022		75,945	(9)	54,455	130,391

CHEMICAL INDUSTRIES (FAR EAST) LIMITED

C. Condensed Statements of Changes in Equity (cont'd)

	<u>Note</u>	<u>Share capital \$'000</u>	<u>Accumulated (losses) profits \$'000</u>	<u>Total \$'000</u>
<u>COMPANY</u>				
Balance at 1 April 2022		75,945	1,341	77,286
Loss for the year, representing total comprehensive income for the year		-	(4,155)	(4,155)
Dividends paid, representing transactions with owners, recognised directly in equity	8	-	(2,506)	(2,506)
Balance as at 31 March 2023		<u>75,945</u>	<u>(5,320)</u>	<u>70,625</u>
Balance at 1 April 2021		75,945	(3,230)	72,715
Profit for the year, representing total comprehensive income for the year		-	5,710	5,710
Dividends paid, representing transactions with owners, recognised directly in equity	8	-	(1,139)	(1,139)
Balance as at 31 March 2022		<u>75,945</u>	<u>1,341</u>	<u>77,286</u>

CHEMICAL INDUSTRIES (FAR EAST) LIMITED

D. Condensed Consolidated Statement of Cash Flows

	THE GROUP	
	FY2023	FY2022
	\$'000	\$'000
Operating activities		
Profit before tax	4,066	5,811
Adjustments for:		
Write down of inventories to net realisable value	141	20
Loss allowance on trade receivables	228	-
Depreciation of property, plant and equipment	4,781	5,099
Fair value gains on investment properties	(6,400)	(2,300)
Fair value loss (gains) on financial assets at FVTPL	56	(115)
Impairment loss on property, plant and equipment	-	6,159
Foreign exchange differences	238	(60)
Dividend income	(37)	(41)
(Gain) on disposal of property, plant and equipment	(4)	-
Interest expense	67	154
Interest income	(384)	(116)
Operating cash flows before movements in working capital	2,752	14,611
Trade and other receivables	(3,485)	(5,472)
Inventories	1,326	(5,492)
Trade and other payables	(5,979)	5,621
Contract liabilities	704	(542)
Cash (used in) / generated from operations	(4,682)	8,726
Dividends paid	(2,506)	(1,139)
Income tax paid	(1,868)	(1,679)
Interest received	384	116
Dividends received	37	41
Net cash (used in) / generated from operating activities	(8,635)	6,065
Investing activities		
Proceeds on disposal of property, plant and equipment	27	-
Purchase of property, plant and equipment	(5,757)	(1,850)
Additions to financial assets at FVTPL	-	(21)
Net cash used in investing activities	(5,730)	(1,871)
Financing activity		
Repayment of lease liabilities, representing net cash used in financing activity	(1,054)	(990)
Net (decrease) increase in cash and cash equivalents	(15,419)	3,204
Cash and cash equivalents at beginning of year	44,977	41,744
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies	(116)	29
Cash and cash equivalents at end of the year	29,442	44,977

E. Notes to Condensed Consolidated Financial Statements

1 Corporate information

Chemical Industries (Far East) Limited (the Company) is incorporated and domiciled in Singapore and whose shares are publicly traded on the Mainboard of the Singapore Exchange.

These condensed consolidated financial statements as at year ended 31 March 2023 comprise the Company and its subsidiaries (collectively, the Group).

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

The principal activities of the subsidiaries are:

- (a) general carriers
- (b) proprietor of commercial buildings
- (c) manufacture and wholesale of industrial chemicals
- (d) general merchant, importer and exporter of chemicals

2 Basis of Preparation

The condensed financial statements for the six months and full year ended 31 March 2023 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last interim financial statements for the period ended 30 September 2022.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed financial statements are presented in Singapore dollars which is the Company's functional currency.

2.1 New and amended standards adopted by the Group

A number of amendments to standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2 Use of judgements and estimates

In preparing the condensed financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 March 2022.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Management is of the opinion that there are no critical judgements involved that have a significant effect on the amounts recognised in the financial statements apart from those involving estimates which are dealt with below.

CHEMICAL INDUSTRIES (FAR EAST) LIMITED

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of reporting period, that 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.

Valuation of investment properties

The Group estimates the fair value of investment properties based on valuations 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 is disclosed in Note 11.

The carrying amount of investment properties is disclosed in Note 11.

Impairment in property, plant and equipment and cost of investment in subsidiary

The Group reviews the carrying amount of its property, plant and equipment and cost of investment in subsidiary to determine whether there are any indications that these assets have suffered an impairment loss. If indicators of impairment exist, the recoverable amount of the assets are estimated, to determine the extent of the impairment loss, if any.

For the year ended 31 March 2023, management has refreshed the discounted cashflow valuation performed at 31 March 2022, using currently available information and the current situation in Myanmar. Given the uncertainty in political, customer concentration and currency risks, the Group has determined the recoverability of assets in Myanmar to be highly uncertain. Management has exercised caution and concluded that full impairment on the carrying amount of property, plant and equipment in Chemical Industries Myanmar Limited is appropriate.

The Group recorded impairment loss of Nil (2022: \$6.2 million) on the carrying amount of property, plant and equipment as disclosed in Note 12 to the financial statements.

The Company recorded an impairment loss of Nil (2022: \$3.1 million) on the cost of investment in subsidiary as disclosed in Note 13 to the financial statements.

3 Seasonal Operation

The Group's businesses have not been affected significantly by seasonal or cyclical factors during the financial period.

4 Segment and revenue information

4.1 Reportable segments

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

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

CHEMICAL INDUSTRIES (FAR EAST) LIMITED

Reportable segments

	Industrial Chemicals \$'000	Properties \$'000	Group \$'000
<u>1 October 2022 to</u>			
<u>31 March 2023</u>			
Segment revenue			
Sales to external customers	49,006	730	49,736
Segment (loss) profit	(4,084)	6,977	2,893
Interest income			303
Dividend income			-
Finance cost			(1)
Profit before tax			3,195
Income tax (expense)			(237)
Profit for the period			2,958
<u>As at 31 March 2023</u>			
Segment assets	75,599	69,436	145,035
Unallocated assets			953
Consolidated assets			145,988
Other information			
Capital expenditures	2,183	-	2,183
Depreciation	2,482	15	2,497
Fair value gain on investment properties	-	6,400	6,400
<u>1 October 2021 to</u>			
<u>31 March 2022</u>			
Segment revenue			
Sales to external customers	49,758	477	50,235
Segment profit	4,989	2,585	7,574
Interest income			49
Dividend income			-
Finance cost			(77)
Profit before tax			7,546
Income tax expense			1,857
Profit for the period			9,403

CHEMICAL INDUSTRIES (FAR EAST) LIMITED

	Industrial Chemicals \$'000	Properties \$'000	Group \$'000
<u>As at 31 March 2022</u>			
Segment assets	89,618	62,023	151,641
Unallocated assets			<u>1,009</u>
Consolidated assets			<u>152,650</u>
Other information			
Capital expenditures	869	51	920
Depreciation	2,307	16	2,323
Impairment loss of property, plant and equipment	28	-	28
Fair value gain on investment properties	-	2,300	2,300
<u>1 April 2022 to 31 March 2023</u>			
Segment revenue			
Sales to external customers	<u>98,733</u>	<u>1,301</u>	<u>100,034</u>
Segment (loss) profit	(3,598)	7,310	3,712
Interest income			384
Dividend income			37
Finance cost			<u>(67)</u>
Profit before tax			4,066
Income tax credit			<u>(512)</u>
Profit for the year			<u>3,554</u>
<u>As at 31 March 2023</u>			
Segment assets	75,599	69,436	145,035
Unallocated assets			<u>953</u>
Consolidated assets			<u>145,988</u>
Other information			
Capital expenditures	5,753	4	5,757
Depreciation	4,751	30	4,781
Fair value gain on investment properties	-	6,400	6,400

CHEMICAL INDUSTRIES (FAR EAST) LIMITED

	Industrial Chemicals \$'000	Properties \$'000	Group \$'000
<u>1 April 2021 to</u>			
<u>31 March 2022</u>			
Segment revenue			
Sales to external customers	84,060	940	85,000
Segment profit	2,940	2,868	5,808
Interest income			116
Dividend income			41
Finance cost			(154)
Profit before tax			5,811
Income tax expense			989
Profit for the year			6,800

As at 31 March 2022

Segment assets	89,618	62,023	151,641
Unallocated assets			1,009
Consolidated assets			152,650
Other information			
Capital expenditures	1,850	-	1,850
Depreciation	5,059	40	5,099
Impairment loss on property, plant and equipment	6,159	-	6,159
Fair value gain on investment on properties	-	2,300	2,300

Revenue reported above represents revenue generated from external customers. There were no inter-segment sales.

Segmental profit represents profits earned by each segment without allocation of interest income, dividend income, finance cost and income tax expense.

All assets are allocated to reportable segments other than financial assets at FVTPL.

4.2 Disaggregation of revenue

	Industrial Chemicals \$'000	Properties \$'000	Group \$'000
<u>1 October 2022 to</u>			
<u>31 March 2023</u>			
Singapore	47,940	730	48,670
Myanmar	1,066	-	1,066
Total revenue	49,006	730	49,736

CHEMICAL INDUSTRIES (FAR EAST) LIMITED

	Industrial Chemicals \$'000	Properties \$'000	Group \$'000
Timing of revenue recognition			
At a point in time	49,006	-	49,006
Over time	-	730	730
	<u>49,006</u>	<u>730</u>	<u>49,736</u>

**1 October 2021 to
31 March 2022**

Singapore	46,994	477	47,471
Myanmar	<u>2,764</u>	-	<u>2,764</u>
Total revenue	<u>49,758</u>	<u>477</u>	<u>50,235</u>

Timing of revenue recognition

At a point in time	49,758	-	49,758
Over time	-	477	477
	<u>49,758</u>	<u>477</u>	<u>50,235</u>

**1 April 2022 to
31 March 2023**

Singapore	96,261	1,301	97,562
Myanmar	<u>2,472</u>	-	<u>2,472</u>
Total revenue	<u>98,733</u>	<u>1,301</u>	<u>100,034</u>

Timing of revenue recognition

At a point in time	98,733	-	98,733
Over time	-	1,301	1,301
	<u>98,733</u>	<u>1,301</u>	<u>100,034</u>

**1 April 2021 to
31 March 2022**

Singapore	79,968	940	80,908
Myanmar	<u>4,092</u>	-	<u>4,092</u>
Total revenue	<u>84,060</u>	<u>940</u>	<u>85,000</u>

Timing of revenue recognition

At a point in time	84,060	-	84,060
Over time	-	940	940
	<u>84,060</u>	<u>940</u>	<u>85,000</u>

CHEMICAL INDUSTRIES (FAR EAST) LIMITED

5 Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group and the Company as at 31 March 2023 and 31 March 2022:

	Group		Company	
	31 Mar 2023	31 Mar 2022	31 Mar 2023	31 Mar 2022
	\$'000	\$'000	\$'000	\$'000
Financial Assets				
Financial assets at amortised cost	47,771	62,523	37,846	57,280
Financial assets at FVTPL	953	1,009	953	1,009
Financial Liabilities				
Financial liabilities at amortised cost	8,608	13,889	6,649	13,106
Lease liabilities	3,591	4,693	3,591	4,693

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.

6 Profit before tax

This has been arrived at after crediting (charging):

	Group		Group	
	Second half		Full year	
	FY2023	FY2022	FY2023	FY2022
	\$'000	\$'000	\$'000	\$'000
Fair value gain on investment properties	6,400	2,300	6,400	2,300
Dividend income	-	-	37	41
Interest income	303	49	384	116
Net foreign exchange (loss) gain	(783)	(42)	(288)	11
Gain on disposal of property, plant & equipment	2	-	4	-
Gain (loss) on financial assets at FVTPL	81	118	(56)	115
Government grants income	204	31	389	409
Storage rental income	1,432	520	1,568	711
Delivery, transport and handling income	75	120	126	194
Other miscellaneous income	265	-	655	412
Impairment loss on property, plant and equipment	-	(28)	-	(6,159)
Depreciation of property, plant and equipment	(2,497)	(2,323)	(4,781)	(5,099)
Retirement gratuity provision	-	(2,000)	-	(2,000)
Finance costs on lease liabilities	(1)	(77)	(67)	(154)

CHEMICAL INDUSTRIES (FAR EAST) LIMITED

Related party transactions

There are no material related party transactions for the financial year.

7 Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	Group	
	FY2023 \$'000	FY2022 \$'000
Current income tax expense:		
Current period	153	1,771
Under (Over) provision in prior years	97	(2,666)
	<u>250</u>	<u>(895)</u>
Deferred tax credit:		
Current period	262	(94)
Total income tax expense (credit)	<u>512</u>	<u>(989)</u>

8 Dividends

During the year ended 31 March 2023, the Company paid dividends as follows:

	Group	
	FY2023 \$'000	FY2022 \$'000
Ordinary dividends		
Tax- exempt one-tier final dividend in respect of the previous financial year:		
- 3.3 cents (2022: 1.5 cents) per ordinary share	<u>2,506</u>	<u>1,139</u>

9 Net asset value

	Group		Company	
	FY2023 \$	FY2022 \$	FY2023 \$	FY2022 \$
Net asset value per ordinary share	<u>1.73</u>	<u>1.72</u>	<u>0.93</u>	<u>1.02</u>

10 Financial assets at fair value through profit or loss

	Group and Company	
	FY2023 \$'000	FY2022 \$'000
Quoted equity shares at fair value through profit or loss	<u>953</u>	<u>1,009</u>

Investments in quoted equity securities offer the Group and the Company the opportunity for enjoying 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.

CHEMICAL INDUSTRIES (FAR EAST) LIMITED

11 Investment properties

The Group's investment properties consist of commercial properties, held for long-term rental yields and/or capital appreciation. They are mainly leased to third parties under operating leases.

	Group	
	FY2023	FY2022
		\$'000
At beginning of year	58,100	55,800
Fair value gain included in profit or loss	6,400	2,300
At end of year	64,500	58,100

The fair value gain during the year is included as part of other income in profit or loss.

The fair values of the Group's investment properties at 31 March 2022 and 31 March 2023 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. 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.

Significant unobservable inputs in the valuations relate to the price per square feet of floor area, which is made by reference to recent transacted prices for similar properties in the locality and adjusted based on the valuer's knowledge of the factors specific to the Group's respective properties such as location, floor area and remaining lease tenure. The higher the price per square foot, the higher the valuation, assuming all other variables are held constant. The fair value measurement of the investment properties is classified as Level 3 in the fair value hierarchy.

12 Property, plant and equipment

During the year ended 31 March 2023, the Group acquired assets amounting to \$5,757,000 (31 March 2022: \$1,822,000) and wrote off / disposed of assets with net book value of \$23,000 (31 March 2022: \$2,000).

The Group recorded an impairment loss of Nil (2022: \$6.2 million) on the property, plant and equipment located in Myanmar in view of the political and economic situation in Myanmar. This was recognised and presented within 'Administrative expenses' in the condensed consolidated statement of profit or loss and other comprehensive income.

13 Subsidiaries

	Company	
	FY2023	FY2022
	\$'000	\$'000
Unquoted equity shares - at cost:		
At beginning of the year, net of impairment	6,383	9,479
Impairment during the year	-	(3,096)
At end of the year, net of impairment	6,383	6,383

In 2022, impairment loss of \$3.1 million was recorded against the investment in Chemical Industries (Myanmar) Limited as its recoverable amount was below its carrying amount.

CHEMICAL INDUSTRIES (FAR EAST) LIMITED

14 Share capital

	Group and Company			
	FY2023		FY2022	
	No. of shares issued '000	\$'000	No. of shares issued '000	\$'000
Issued and paid up: At the beginning and end of the period/year	75,945	75,945	75,945	75,945

The Company did not hold any treasury shares as at 31 March 2023 and 31 March 2022.

The Company's subsidiaries do not hold any shares in the Company as at 31 March 2023 and 31 March 2022.

15 Subsequent events

There are no known subsequent events which have led to adjustments to this set of condensed financial statements.

F. Other Information Required by Listing Rule Appendix 7.2

1. Review

The condensed consolidated statement of financial position of Chemical Industries (Far East) Limited and its subsidiaries as at 31 March 2023 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed by the Company's auditors.

2. Review of performance of the Group

Consolidated Statement of Profit or Loss and Other Comprehensive Income

2.1 Group Revenue

Group revenue increased by 17.7% or \$15 million from \$85 million for the year ended 31 March 2022 ("FY2022") to \$100 million for the year ended 31 March 2023 ("FY2023") mainly due to the increase in selling prices.

2.2 Gross profit

Gross profit decreased from \$22 million in FY2022 to \$7 million in FY2023. Gross profit margin decreased from 26% in FY2022 to 7% in FY2023. The lower gross profit margin was mainly due to rising energy and raw material costs amidst supply chain and logistics disruptions globally.

2.3 Other income (net)

Other income (net) increased by 114% or \$4.9 million from \$4.3 million in FY2022 to \$9.2 million in FY2023. The increase in other income (net) was mainly due to an increase in fair value gains on investment properties of \$4.1 million and \$0.8 million in non-trade revenue derived from storage rental income.

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2.4 Distribution expenses

Distribution expenses increased by 1.3% or \$0.08 million from \$6.13 million in FY2022 to \$6.21 million in FY2023 mainly due to increase in expenses for rental of storage space.

2.5 Administrative expenses

Administrative expenses decreased by \$8.5 million or 59.4% from \$14.3 million in FY2022 to \$5.8 million in FY2023. The exceptionally high expenses in FY2022 was mainly due to a retirement gratuity provision of \$2 million, legal fees of \$0.4 million and impairment loss on property, plant and equipment in Myanmar of \$6.1 million.

2.6 Finance cost

Finance cost decreased due to lower interest expense on lease liabilities in FY2023.

2.7 Income tax expense

Income tax expense increased by \$1.5 million from \$1 million credit position to a \$0.5 million expense position. The \$1 million credit provision is mainly due to overprovisions of prior year taxes.

2.8 Profit before tax

The Group has reported a profit before tax of \$4.1 million in FY2023 compared to a profit of \$5.8 million in FY2022.

2.9 Profit after tax

The Group has reported a profit after tax of \$3.6 million in FY2023 compared to a profit of \$6.8 million in FY2022.

Statement of Financial Position

Current assets

The Group's current assets decreased by \$16.6 million mainly due to:

- (i) a decrease in cash and cash equivalents by \$15.5 million;
- (ii) a decrease in inventories by \$1.4 million;
- (iii) an increase in trade and other receivables by \$0.3 million.

Non-current assets

The Group's non-current assets increased by \$10.0 million. This was mainly due to increase in investment properties by \$6.4 million arising from the fair value adjustments during the year and a further \$2.8 million accrued revenue derived from construction of pipeline and tanks for one of the customers.

Current liabilities

The Group's current liabilities decreased by \$6.8 million mainly due to a decrease in trade and other payables by \$6 million. This was furthered impacted by the decrease of income tax payable by \$1.6 million. Contract liabilities increased from \$0.2 million to \$0.9 million.

Non-current liabilities

The Group's non-current liabilities decreased by \$1.0 million mainly due to repayment of lease liabilities in FY2023.

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Capital and reserves

Equity comprises share capital, reserves and accumulated profits. The total equity of the Group increased by \$1.1 million from \$130.4 million as at 31 March 2022 to \$131.5 million as at 31 March 2023.

Statement of Cashflow

The Group recorded a net cash outflow of \$15.4 million in FY2023. The decrease was due to cash outflows from operating activities of \$8.6 million, investing activities of \$5.7 million and cash outflows from financing activities of \$1.1 million.

3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

No prospect statement was made.

4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next operating period and the next 12 months

Energy is a major variable cost component of the Group's operations. The ongoing energy crisis fuelled by the Russia-Ukraine war and high supply chain cost has impacted its profitability.

With the global economic slowdown and uncertainties amid China's uneven pace of recovery, geopolitical tensions, prevailing inflation, high interest rates, and financial sector turmoil, the region's manufacturing output in the chemicals and electronics sectors is expected to decline on weakening global industrial production and demand.

Moving forward, the Group continues to invest and build a robust organisation by implementing various initiatives and measures to develop business, drive sales and mitigate headwinds. The Group will focus on a more profitable product portfolio and key customers across various sectors which include utilities and water treatment.

In business, the Group will leverage on its strength in both the product and service space to help customers to be more successful. The Group will utilise its technical knowledge and experience to build a production and engineering service business, and grow its trading business by building product portfolios and customer bases both domestically and overseas.

In Myanmar, Covid-19 and economic sanctions have resulted in lower utilization of our manufacturing capacities. Notwithstanding, the Group remains committed to grow the business by strengthening its local sales force to pursue new business opportunities.

The Group has embarked on both near and mid-term operations excellence initiatives including projects on energy efficiency, environment, health and safety. In the aspect on digitalisation, the Group is investing to strengthen our existing infrastructure and network platform which will enhance data integration and security, and establish content analytics to drive business in a more effective and holistic manner. We have recently achieved ISO 50001 certification in Energy Management System.

5. Dividend information

5.1 Current Financial Period Reported on:

Name of Dividend	Final
Dividend Type	Cash
Dividend Rate	1.5 cents per ordinary share
Tax Rate	One-tier tax exempt

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5.2 Corresponding Period of the Immediate Preceding Financial Year:

Name of Dividend	Final	Special
Dividend Type	Cash	Cash
Dividend Rate	1.5 cents per ordinary share	1.8 cents per ordinary share
Tax Rate	One-tier tax exempt	One-tier tax exempt

5.3 Date Payable: To be advised at a later date.

5.4 Books Closure Date: To be advised at a later date.

6. Interested person transactions

The Group has not obtained a general mandate from shareholders of the Company for Interested Person Transactions.

7. Disclosure of persons occupying managerial positions who are related to a director, CEO or substantial shareholder

There is no person holding a managerial position who is related to a director, CEO or substantial shareholder.

8. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

The Company has received undertakings from all its directors and executive officers in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST.

9. Additional information required pursuant to Rule 706A of the Listing Manual

During the period ended 31 March 2023, the Company did not incorporate or acquire any shares resulting in any company becoming a subsidiary or associated company or increasing its shareholding percentage in any subsidiary. Additionally, the Company did not dispose any shares resulting in a company ceasing to be a subsidiary or associated company or decreasing its shareholding percentage in any subsidiary.

BY ORDER OF THE BOARD

Ms Foo Soon Soo
Company Secretary
29th May 2023