CHEMICAL INDUSTRIES (FAR EAST) LIMITED.

COMPANY REGISTRATION NO. 196200046K

ANNUAL REPORT & ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2016

CHEMICAL
INDUSTRIES
(FAR EAST)
LIMITED.

REPORT AND FINANCIAL STATEMENTS

CONTENTS	PAGE

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Chairman and Managing Director
Lim Soo Peng J.P.

Executive Director
Dr Lim Yew Cher Alex
Mr Lim Yew Tee Collin

Non-Executive Independent Directors
Tay Kah Chye (Lead Independent Director)
Dr Chua Sui Leng
Dr Wan Soon Bee
Valerie Ong Choo Lin

AUDIT COMMITTEE

Tay Kah Chye, Chairman
Dr Chua Sui Leng
Dr Wan Soon Bee
Valerie Ong Choo Lin

NOMINATING COMMITTEE

Dr Wan Soon Bee, Chairman
Dr Chua Sui Leng
Valerie Ong Choo Lin

REMUNERATION COMMITTEE

Dr Chua Sui Leng, Chairman
Dr Wan Soon Bee
Lim Soo Peng

COMPANY SECRETARY

Foo Soon Soo

REGISTRARS

B.A.C.S Private Limited
8 Robinson Road
#03-00 ASO Building
Singapore 048544
Tel: 65934848
Email: main@bacs.com.sg

REGISTERED OFFICE

3 Jalan Samulun
Singapore 629127
Tel: 62650411
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
JPI 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: Loi Chee Keong
(Appointed with effect from financial
year ended 31 March 2013)

CHAIRMAN'S MESSAGE

I have pleasure of presenting, on behalf of the Board of Directors, our results for the financial year ended 31 March 2016 ("FY 2016").

PERFORMANCE

The year under review was challenging as we encountered the business cessation of some customers in Singapore. Consequently, these customers terminated the supply agreements with the Group which resulted in the decrease of revenue for the Group by 9.6% to S$78.4 million in FY 2016. Despite the decrease in revenue, the Group achieved an improvement in gross profit margin from 21.2% in FY 2015 to 28.4% in FY 2016 through lower operating costs and efforts by management.

Group net profit before tax increased to S$14.2 million in FY 2016 due to one-off settlement sums received from the early termination of supply agreements. The settlement sums received were offset by the recognition of impairment loss on certain plant and machinery and a fair value loss on its investment properties in FY 2016.

Earnings per share of the Group increased from 10.67 cents in FY 2015 to 16.73 cents in FY 2016, net asset value per share of the Group also increased from 127 cents in FY 2015 to 142 cents in FY 2016. Net cash from operating activities increased from S$15.2 million in FY 2015 to S$30.9 million in FY 2016.

INDUSTRIAL CHEMICALS BUSINESS

Industrial chemicals business accounted for 98.2% of the Group's revenue. The 10% revenue decrease in FY 2016 was attributed to the business cessation of some customers in Singapore. The industrial chemicals business also recorded impairment loss on certain plant and machinery amounting to S$11.0 million in FY 2016. Nevertheless, the industrial chemicals business recorded a higher profit in FY 2016 due to the settlement sums from the early termination of supply agreements in FY 2016. Profit before tax increased from S$4.8 million in FY 2015 to S$14.2 million in FY 2016.

PROPERTIES BUSINESS

Revenue for the properties business increased from S$1.3 million in FY 2015 to S$1.4 million in FY 2016 due to higher rental income in FY 2016. Net profit before tax decreased from S$4.5 million in FY 2015 to S$40,000 in FY 2016 mainly due to a fair value adjustment loss of S$0.9 million in FY 2016 compared to S$2.3 million fair value adjustment gain in FY 2015 as well as the absence of one-off gain of S$1.4 million arising from deconsolidation of dormant foreign subsidiaries recorded in FY 2015.

CHALLENGES

The Group faced one of the biggest challenges in the Group's history in FY 2016 with the business cessation of some customers. We will continue to seek more markets for our industrial chemicals business and continue to proactively engage in productivity and cost management improvements.

DIVIDEND

I am pleased to advise that the Board has recommended a first and final dividend (one-tier tax exempt) of 3.0 cents per share and a special dividend (one-tier tax exempt) of 5.0 cents per share for approval by shareholders at the annual general meeting to be held on 30 June 2016.

IN APPRECIATION

On behalf of the Board, I would like to express my heartfelt appreciation for the perseverance and contributions of the management team and staff. Together, we will brave the challenges that lie ahead.

To our shareholders, business partners and customers, thank you for your support and confidence.

I would also like to record my gratitude to my fellow Directors for their guidance and advice.

LIM SOO PENG
CHAIRMAN

15 June 2016

STATEMENT OF CORPORATE GOVERNANCE

Application of the principles of corporate governance promotes the efficiency and effectiveness of the operations carried out by Group personnel as well as facilitates the maintenance of integrity in the conduct of the business of the Group. Adherence to good practice in corporate governance will also enhance investor confidence and contribute to a harmonious relationship between stakeholders and the management team. Ultimately, the aim is to increase long-term value and raise returns to shareholders.

This report outlines the Company's corporate governance practices with reference to the Code of Corporate Governance 2012 (the "Code").

BOARD MATTERS

Principle 1: Effective Board to lead and control the Company

The directors of the Company are:

Lim Soo Peng	Chairman and Managing Director
Dr Lim Yew Cher Alex	Executive Director
Lim Yew Tee Collin	Executive Director
Tay Kah Chye	Non-Executive and Lead Independent Director
Dr Chua Sui Leng	Non-Executive Independent Director
Dr Wan Soon Bee	Non-Executive Independent Director
Valerie Ong Choo Lin	Non-Executive Independent Director

The Board oversees the management of the business and affairs of the Group. Apart from its statutory responsibilities, the Board reviews the business strategies and key activities of the Group. It holds regular meetings to review the performance of the business, to approve significant acquisitions and disposals and to approve the release of half-yearly and annual results.

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

- Review of the performance of the Group
- Approval of the corporate strategy and direction of the Group
- Approval of transactions involving a conflict of interest for a substantial Shareholder or a Director or an interested person
- Material acquisition and disposal
- Corporate or financial restructuring
- Declaration of dividends and other returns to Shareholders
- Appointment of new Directors

Delegation by the Board

Board Committees, namely the Audit Committee ("AC"), Nominating Committee ("NC"), and Remuneration Committee ("RC") have been constituted to assist the Board in the discharge of specific responsibilities.

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
Mr Lim Soo Peng	*		-	-	Member
Dr Lim Yew Cher Alex	*		-	-	-
Mr Lim Yew Tee Collin	*		-	-	-
Mr Tay Kah Chye		*	Chairman	-	-
Dr Wan Soon Bee		*	Member	Chairman	Member
Dr Chua Sui Leng		*	Member	Member	Chairman
Ms Valerie Ong Choo Lin		*	Member	Member	-

The following table discloses the number of meetings held for Board and Board Committees and the attendance of all Directors for the financial year ended 31 March 2016:

	Board	Audit	Remuneration	Nominating
Number of meetings held	3	2	1	1
Name of directors		**Number of meetings attended**		
Mr Lim Soo Peng	3	2*	1	1*
Dr Chua Sui Leng	3	2	1	1
Dr Wan Soon Bee	3	2	1	1
Ms Valerie Ong Choo Lin	3	2	1*	1
Mr Tay Kah Chye	3	2	1*	1*
Dr Lim Yew Cher Alex(1)	3	2*	1*	1*
Mr Lim Yew Tee Collin(2)	1	1*	N/A	N/A

*Attended as invitee

(1) Dr Lim Yew Cher Alex was appointed on 1 May 2015 as Non-Executive Director and was re-designated as Executive Director on 1 September 2015.

(2) Mr Lim Yew Tee Collin was appointed on 1 September 2015.

While the Board considers Directors' attendance at Board meetings to be important, it is not the only criterion to measure their contributions. It also takes into account the contributions by board members in other forms including periodic review, provision of guidance and advice on various matters relating to the Group.

Orientation, Briefings, and training provided for directors

Incoming directors joining the Board will be briefed by the Chairman on the directors' duties and obligations, and on the Group's organization structure, business and governance practices. The incoming directors will meet up with senior management to familiarize himself with roles of management. This will enable him to get acquainted with senior management thereby facilitating board interaction and independent access to senior management.

The Directors are regularly updated on the Group's business, regulatory changes to the Listing Rules, accounting standards and Companies (Amendment) Act and the ACRA (Amendment) Act and Code of Corporate Governance and Listing Manual by the Company Secretary. The Chairman updates the Board at each Board meeting on business and strategic developments and also highlights the salient issues as well as the risk management considerations for the Group.

BOARD COMPOSITION AND BALANCE

Principle 2: Strong and independent element on the Board

Of the seven directors on the Board, three of whom are Executive Directors and four are Independent Non-executive Directors. This is considered an appropriately sized Board as the Group is not large and its operations are basically in Singapore.

Under the Company's Constitution, one-third of the directors (excluding the Managing Director) 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 ("AGM") following his appointment; he is eligible for re-election if he so desires.

Annual Review of Directors' Independence

The criterion for independence is based on the definition given in the Code. 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 independence of each Director is reviewed annually by the NC, based on the definition of independence as stated in the Code.

All the four Independent Directors have confirmed their independence and that they do not have any 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 their independent judgment. The NC conducted a review and was of the view these Independent Directors have none of the above relationships and each has always exercised independent judgement in the interest of the Company in the discharge of their directors' duties. Each of the independent directors abstained from the NC's review of his independence.

Independent Directors, Dr Chua Sui Leng, Dr Wan Soon Bee and Ms Valerie Ong Choo Lin have served the Board for more than nine years since the date of each their first appointment. The Board has conducted a rigorous review of the independence. 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. Dr Chua, Dr Wan and Ms Ong have abstained from the Board's deliberation to maintain their independence.

CHAIRMAN AND MANAGING DIRECTOR

Principle 3: Clear division of responsibilities at the top of the Company

Mr Lim Soo Peng is both the Chairman and Managing Director ("MD"), equivalent to Chief Executive Officer of the Company. Accordingly, in compliance with Guideline 3.3 of the 2012 Code, the Company has on 18 May 2016 appointed Mr Tay Kah Chye as the Lead Independent Director.

As MD, Mr Lim bears executive responsibility for the day-to-day running of the Group. His duties as Chairman include the scheduling of Board meetings, the fixing of the meeting agenda, the control of the quality and timeliness of data and information supplied to the Board and observation of the Code of Governance and the Listing Rules.

The Board believes that there are adequate safeguards in place against having a concentration of power and authority in a single individual. The independent directors form more than half the Board and exercise independent thinking and work as a check and balance on the acts of the Executive Directors and management of the Company.

BOARD MEMBERSHIP

Principle 4: Formal and transparent process for appointment of new directors

The NC comprises the following members, all of whom, including the Chairman are independent:

Dr Wan Soon Bee (Chairman)
Dr Chua Sui Leng
Ms Valerie Ong Choo Lin

The role of the NC is to make recommendations to the Board on all board appointments. The Committee is charged with the responsibility of re-nomination having regard to each director's contribution and performance, including, if applicable, as an independent director. The NC is also charged with determining annually whether or not a director is independent conducting performance evaluations of the Board, its board committees and reviewing the training and professional development programs for the Board.

The NC has recommended to the Board the re-election of Ms Valerie Ong Choo Lin, and Mr Lim Yew Tee Collin who will retire pursuant to Article 95(2) and Article 96 of the Constitution of the Company respectively, and the re-appointment of Mr Lim Soo Peng, Dr Chua Sui Leng and Dr Wan Soon Bee who will retire pursuant to Section 153(6) of the Companies Act (which was in force immediately before 3 January 2016 and repealed on 3 January 2016) at the forthcoming AGM.

Directors' multiple board representations

The NC considers and it is of the view that it would not be appropriate to set a limit on the number of directorships that a Director may hold because directors have different capabilities, and the nature of the organisations in which they hold appointments and the kind of committees on which they serve are of different complexities. Each Director personally determines the demands of his or her competing directorships and obligations and assesses the number of directorships they could hold and serve effectively.

Succession planning

The NC has in place a board succession plan for Directors, in particular, the Executive Chairman and MD. The NC has reviewed contingency arrangements for any unexpected incapacitation of the MD or any of the top management personnel and is satisfied with the procedures in place for smooth transition.

Key information of Directors

Particulars of interest of Directors who held office at the end of the financial year in shares, debentures, warrants and share options in the Company and in related corporations (other than wholly-owned subsidiaries) are set out in the Directors' Statement on pages 18 and 19 of this Annual Report.

BOARD PERFORMANCE

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

On an annual basis, the NC assesses the performance of the individual directors and the effectiveness of the Board and Board committees.

The NC has reviewed the overall performance of the Board in terms of its role and responsibilities and the conduct of its affairs as a whole for the financial year and is of the view that the performance of the Board as a whole has been satisfactory and the directors have each contributed to the effectiveness of the Board.

ACCESS TO INFORMATION

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

Relevant information is provided to the Board prior to its meetings. Such information includes financial reports, announcement of results, disclosure information and other matters requiring the Board's decision.

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.

Where decisions to be taken by the Board require specialised knowledge or expert opinion, the Board has adopted a policy to seek independent professional advice.

REMUNERATION MATTERS

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

The RC comprises three members, the majority of whom including its Chairman are independent:

Dr Chua Sui Leng (Chairman)
Mr Lim Soo Peng
Dr Wan Soon Bee

The Independent Directors are of the view that retaining an RC member who is also an executive director is essential as he will have better understanding of the job duties and the remuneration packages that commensurate with the level of responsibilities of each key executive.

The RC recommends to the Board a framework for remuneration for the Board and key executives and to determine specific remuneration packages for each executive director of the Company.

The recommendations of the RC will be submitted to the Board for endorsement. 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.

LEVEL/MIX AND DISCLOSURE OF REMUNERATION

Principle 8: Level and mix of Remuneration

Principle 9: Disclosure of Remuneration

Disclosure of Remuneration of Directors and Executives

The remuneration received by directors during the financial year is as follows:

	Salary	Bonus	Directors' fee	Total Remuneration
$5,500,001 to $5,750,000				
Lim Soo Peng	12%	86%	2%	100%
$250,000 and below				
Dr Lim Yew Cher Alex	50%	29%	21%	100%
Lim Yew Tee Collin	70%	18%	12%	100%
Dr Chua Sui Leng	-	-	100%	100%
Dr Wan Soon Bee	-	-	100%	100%
Valerie Ong Choo Lin	-	-	100%	100%
Tay Kah Chye	-	-	100%	100%

[1]Dr Lim Yew Cher Alex was appointed as director with effect from 1 May 2015.

[2]Mr Lim Yew Tee Collin was appointed as director with effect from 1 September 2015.

The Board was of the view that the information disclosed in the Annual Report would be sufficient for shareholders to have an adequate understanding of the Company's remuneration policies and practice. The Board believes that the disclosure provided is in the interest of the Company as it would avoid a situation where the information might be exploited by the competitors, while allowing directors and key management staff to maintain some degree of their personal confidentiality on remuneration matters.

The Board has also recommended a fixed fee for the Non-executive Independent Directors, taking into account the effort, time spent and responsibilities of each non-executive director. The fees of Non-executive Independent Directors will be subjected to shareholders' approval at the Annual General Meeting.

All the directors receive directors' fee for attending to Board matters. The Chairman receives double the fee paid to other directors. For chairing committees, a director receives a small additional fee. A director who serves for part of the financial year only will have his fee pro-rated. Total directors' fee for the financial year ended 31 March 2016 amounted to $390,000 (2015: $255,000).

Remuneration of Top 5 Key Management Personnel (who are not Directors)

The remuneration received by top 5 key management personnel (who are not directors or the MD) for FY2016 is as follows:

Remuneration Band & Name of Key Executive	Salary	Bonus	Total
Below $250,000			
Executive 1	80%	20%	100%
Executive 2	89%	11%	100%
Executive 3	91%	9%	100%
Executive 4	88%	12%	100%
Executive 5	81%	19%	100%

The remuneration of the top 5 key management personnel (who are not directors or the CEO) was shown on a "no name" basis as the Board believes that the disclosure provided is in the interest of the Company as it would avoid a situation where the information might be exploited by the competitors.

The aggregate of the total remuneration paid to the top five key management personnel (who are not directors) is $665,000.

Immediate Family Member of Directors or the MD

Saved as disclosed in the following table, 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 Band and Name of Family Member of Directors or MD	**Relationship to Directors or the MD**
$200,001 to $250,000	
Lim Yew Khang Cecil	Son of Mr Lim Soo Peng and sibling of Dr Lim Yew Cher Alex

Share Incentive Scheme

The Company does not have a share option scheme or other share incentive schemes for its employees.

ACCOUNTABILITY AND AUDIT

Principle 10: Accountability of the Board and Management

Undertaking by the Board and Executive Officer on compliance with Listing Manual

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 by the Group Financial Controller in his capacity as an Executive Officer

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 half yearly 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.

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 11: Responsibility of the Board for governance of risk
Principle 13: Setting up independent internal audit function

Risk Management and Internal Controls

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 reviewed the audit plans, and the findings of the external auditors and took steps to ensure that the Company follows up on the recommendations raised by the external auditors, if any, during the audit process.

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.

For the financial year ended 31 March 2016, the Board has received letters of assurance from the MD and Group Financial Controller 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 internal control system and assurance from the MD of the effectiveness of the Group's risk management system.

Opinion on Adequacy of Internal Controls

Based on the internal controls established and maintained by the Group, and work performed by the external auditors ("auditors") and discussions with them, including the Management's responses to the auditors' recommendations for improvements to the Group's internal controls, if any, the letter of assurance from the MD and the Group Financial Controller, the Board with the concurrence of the AC is of the opinion that the internal controls of the Group are adequate and effective in addressing the financial, operational, compliance, information technology and risks management controls which are significant as at reporting date.

Internal Audit

Having considered various factors, including the scale of the Group's operations, the fact that its business, customers and suppliers are primarily in Singapore, the AC is of the opinion that an internal audit function is considered not necessary in the present circumstances. The AC will review this if circumstances change.

AUDIT COMMITTEE

Principle 12: Audit Committee

The AC comprises the following members, all of whom are independent non-executive directors:

Tay Kah Chye (Chairman)
Dr Chua Sui Leng
Dr Wan Soon Bee
Valerie Ong Choo Lin

The Board is satisfied that the members of the AC have recent and relevant accounting or related financial management expertise or experience to discharge the AC's functions.

The AC performed the functions specified in the Singapore Companies Act and in the Listing Manual. In performing its functions, the AC reviewed the overall scope of the external audit and the assistance given by the Company's officers to the external auditors. It met with the Company's external auditors to discuss the results of their examinations and their evaluation of the Company's system of internal accounting controls.

The AC also reviewed the financial statements of the Company and of the Group before their submission to the Board. The AC also reviewed the interested person transactions of the Group and has the authority to carry out any matter within its terms of reference.

The external auditors, Deloitte & Touche LLP ("D&T") Public Accountants and Chartered Accountants Singapore, 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 with effect from the financial year ended 31 March 2013 is Mr Loi Chee Keong. D&T is registered with the Accounting and Corporate Regulatory Authority.

The Company confirms compliance with Rule 712 and 715 of the Listing Manual.

Whistle-blowing

The Company has in place a whistle-blowing policy and the AC has the authority to conduct independent investigations into any complaints.

Staff of the Group has access to Chairman of the Board of Directors or AC to raise their concerns. All such concerns received shall be investigated thoroughly by the Chairman or the AC, as the case may be, and all investigations shall be conducted without bias. The Group will treat all information received confidentially and protect the identities and the interests of whistle-blowers, so as to enable staff to voice their concerns without any fear of reprisal, retaliation, discrimination or harassment of any kind.

COMMUNICATION WITH SHAREHOLDERS

Principle 14: Equal treatment of all shareholders

Principle 15: Regular, effective and fair communication with shareholders

Principle 16: Shareholder participation at General Meetings

Communication with Shareholders

Communication with shareholders is generally effected through the Company's 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 AGM is generally held within four months of the previous financial year end. Separate resolutions are tabled in respect of distinct issues at such meetings. Shareholders unable to attend are entitled to appoint up to two proxies to attend on their behalf. The directors, in particular the chairpersons of the AC, NC and RC's, and the external auditors of the Company are present at such meetings to answer shareholders' questions. Shareholders are advised to access the following website in order to be better prepared for the AGM:
http://www.sgx.com/wps/portal/marketplace/mp-en/investorcentre/investorguide

The Company will have separate resolutions at general meetings on each distinct issue. The Company's Constitution allows a member (other than a relevant intermediary as defined in section 181 of the Companies Act) to appoint one or two proxies to attend and vote at its general meetings. The Companies Act allows relevant intermediaries who include CPF agent banks nominees to appoint multiple proxies, and empower CPF investors to attend and vote at general meetings of the Company as their CPF agent banks' proxies.

All resolutions at the forthcoming AGM would be put to vote by poll. This will allow greater transparency and more equitable participation by shareholders.

Dividends

The details of dividend payment, if any, would be disclosed via the release of the announcements through SGXNET.

Share Dealings

The Company has in place a policy prohibiting share dealings by the Company, its Directors and officers of the Company for the period of one month before the announcement of the Company's half yearly and yearly financial statements and ending on the date of the announcement. The Directors and officers of the Company are prohibited from dealing in the shares of the Company on short-term considerations. Officers are aware that the law on insider trading applies at all times and they are expected to observe the insider trading laws at all times even when dealing in securities within permitted trading period. The restriction in Dealings in Securities is also extended to employees of the Company.

Interested person Transaction

There was no interested person transaction during the financial year ended 31 March 2016 which was required to be disclosed or submitted for shareholders' approval under the SGX-ST Listing Rules.

Material Contracts

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

The Board is satisfied with the Group's commitment to compliance with the Code of Corporate Governance.

BOARD OF DIRECTORS

LIM SOO PENG

Chairman and Managing Director

Mr. Lim Soo Peng was appointed to the Board since its inception in 1962 and is a founder member of the Company. This was 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.

DR LIM YEW CHER ALEX

Executive Director

Dr Lim Yew Cher Alex was appointed to the Board in 2015. Dr Lim graduated with a Bachelor of Medicine and Bachelor of Surgery degree from National University of Singapore and has been on private practice since 1985. He was also a Non-Executive Director of FHTK Holdings Ltd from 1997 to 2002.

LIM YEW TEE COLLIN

Executive Director

Mr. Lim Yew Tee Collin was appointed to the Board in 2015 and is responsible for the operations of the Chlor-Alkali manufacturing plant situated in Jurong Island.

He 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. 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. Lim is currently serving as a committee member in the Technical Committee for Chemistry in the reviews of Singapore Standards.

TAY KAH CHYE

Non-Executive and Lead Independent Director

Mr. Tay Kah Chye was appointed to the Board in 2008. He is the Chairman of the Audit Committee and the Lead Independent Director. He is also an independent director of Wilmar International Limited and Non-Executive Independent Chairman of Asiatic Group (Holdings) Limited.

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 CHUA SUI LENG

Non-Executive Independent Director

Dr Chua Sui Leng was appointed to the Board in 2000. He is presently the Chairman of the Remuneration Committee as well as a member of the Audit Committee.

A medical practitioner by profession, Dr Chua graduated with a Bachelor of Medicine and Bachelor of Surgery degree from University of Malaya. He served in the government service for a number of years before beginning his practice in the private sector.

DR WAN SOON BEE

Non-Executive Independent Director

Dr Wan Soon Bee was appointed to the Board in 2000. He is the Chairman of the Nominating Committee as well as a member of the Audit Committee and Remuneration 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.

VALERIE ONG CHOO LIN

Non-Executive Independent Director

Ms Ong was appointed to the Board in January 2006. She is a member of the Audit Committee and Nominating Committee.

Ms Ong is a Senior Partner in the corporate practice of Dentons Rodyk & Davidson LLP. Her portfolio covers Capital Markets and Mergers & Acquisitions. In practice over 25 years, she has extensive transactional and cross-border experience and has received various accolades, including recognition as IFLR1000 Leading Lawyer 2016 for Mergers and Acquisitions 2011-2013, 2015-2016 and Leading Individual for Corporate/M&A in Chambers Global and Asia 2013-2015.

Ms Ong is an independent director of another SGX main board company. She serves on the Government Parliamentary Committee for Finance, Trade and Industry Resource Panel, and was a member of the Singapore Income Tax Board of Review from 2004 to 2013.

Ms Ong graduated with a Bachelor of Law (Honours) degree from the National University of Singapore and obtained a Master in Law (Distinction) from the London School of Economics.

SENIOR MANAGEMENT

Tan Pua Yong
General Manager

Mr. Tan Pua Yong was appointed as General Manager of the Group in July 2013. He joined the Group in August 1988 as Assistant Plant Manager and was promoted to Plant Manager in April 1991. Prior to joining the Group, Mr Tan was a Senior Engineer with the Public Utilities Board.

Mr. Tan graduated with a Bachelor of Engineering (Honours) degree from the University of Singapore and has a Master of Science (Industrial Engineering) from the same university. He is a registered Electrical Professional Engineer and a Singapore Certified Energy Manager. He is currently serving as committee member of the Energy & Chemical Industry Group of SMF and the Energy Standards Committee of SPRING.

Chiang Yi Shin
Group Financial Controller

Mr. Chiang Yi Shin was appointed as the Group Financial Controller in March 2015. He served as the Finance Manager from July 2010 and Accounting Manager when he joined the Group in March 1998. 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 and is a Chartered Accountant with the Institute of Singapore Chartered Accountants. He is also a Fellow of the Association of Chartered Certified Accountants and an Accredited Tax Adviser (GST) with the Singapore Institute of Accredited Tax Professionals Limited.

Wilson Loh
Head of Commercial

Mr. Wilson Loh joined the Group in November 2013 as Head of Commercial and is responsible for developing and implementing market and business strategies. Prior to joining the Group, he was the General Manager of a major American chemical distribution company with responsibilities for overseeing its regional distribution business from 1992 to 2013.

Mr. Loh graduated with a Bachelor of Science degree in Business Administration from the University of San Francisco and a Master in Business Administration from the same university.

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. 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 2016.

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 23 to 65 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 2016 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.

DIRECTORS

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

Lim Soo Peng J.P.	(Chairman and Managing Director)
Dr Lim Yew Cher Alex	(Appointed on 1 May 2015)
Lim Yew Tee Collin	(Appointed on 1 September 2015)
Tay Kah Chye	
Dr Chua Sui Leng	
Dr Wan Soon Bee	
Valerie Ong Choo Lin	

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.

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.	2,764,250	2,764,250	32,465,500	32,465,500
Dr Chua Sui Leng	176,000	176,000	170,000	170,000
Tay Kah Chye	16,750	16,750	-	-
Lim Yew Tee Collin	10,479	10,479	-	-

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 2016 were the same as 31 March 2016.

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 option*

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

AUDIT COMMITTEE

The Audit Committee of the company, consisting all non-executive and independent directors, is chaired by Mr Tay Kah Chye and comprises Dr Chua Sui Leng, Dr Wan Soon Bee and Ms Valerie Ong Choo Lin. 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;

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

c) the consolidated financial statements of the group and the statement of financial position and statement of changes in equity of the company before their submission to the directors of the company and external auditors' report on those financial statements;

d) the half-yearly and annual announcements on the results and financial position of the company and the group;

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

f) 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.

Having considered various factors, including the scale of the group's operations, and that its business, customers and suppliers being primarily in Singapore, the Audit Committee is of the view that an internal audit function is not necessary in the present circumstances. The Audit Committee will review this if circumstances change.

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.

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

23 May 2016

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

Report on the Financial Statements

We have audited the accompanying financial statements of Chemicals Industries (Far East) Limited. (the "company") and its subsidiary corporations (the "group"), which comprise the consolidated statements of financial position of the group and the statement of financial position of the company as at 31 March 2016, and the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the group and the statement of changes in equity of the company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 23 to 65.

Management's Responsibility 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 Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the 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 Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the group and of the company as at 31 March 2016 and the financial performance, changes in equity and cash flows of the group and changes in equity of the company for the year ended on that date.

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.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

23 May 2016

STATEMENTS OF FINANCIAL POSITION
31 March 2016

	Note	Group		Company	
		2016 **$'000**	**2015** **$'000**	**2016** **$'000**	**2015** **$'000**
ASSETS					
Current assets					
Cash and cash equivalents	6	**48,017**	27,315	**41,635**	21,956
Trade and other receivables	7	**10,032**	13,355	**9,945**	13,252
Due from subsidiaries	5	-	-	**3,518**	3,324
Inventories	8	**6,111**	4,799	**6,287**	4,881
Total current assets		**64,160**	45,469	**61,385**	43,413
Non-current assets					
Property, plant and equipment	9	**37,188**	57,053	**36,514**	56,417
Investment properties	10	**39,800**	40,700	-	-
Subsidiaries	11	-	-	**6,383**	6,383
Associates	12	-	-	-	-
Available-for-sale investments	13	**602**	715	**602**	715
Total non-current assets		**77,590**	98,468	**43,499**	63,515
Total assets		**141,750**	143,937	**104,884**	106,928
LIABILITIES AND EQUITY					
Current liabilities					
Short-term bank loans	15	**10,539**	14,206	**10,539**	14,206
Trade and other payables	16	**3,507**	6,218	**2,995**	5,617
Due to subsidiaries	5	-	-	**2,478**	2,140
Current portion of long-term bank loans	14	**9,952**	5,425	**9,952**	5,425
Current portion of finance leases	17	**111**	139	**9**	40
Derivative financial instruments	18	-	1,435	-	1,435
Income tax payable		**4,899**	1,778	**4,698**	1,581
Total current liabilities		**29,008**	29,201	**30,671**	30,444

See accompanying notes to financial statements.

STATEMENTS OF FINANCIAL POSITION

31 March 2016

	Note	Group		Company	
		2016 **$'000**	**2015** **$'000**	**2016** **$'000**	**2015** **$'000**
Non-current liabilities					
Long-term bank loans	14	**-**	9,952	**-**	9,952
Finance leases	17	**118**	180	**39**	-
Deferred tax liabilities	19	**4,925**	8,352	**4,886**	8,342
Total non-current liabilities		**5,043**	18,484	**4,925**	18,294
Capital and reserves					
Share capital	20	**75,945**	75,945	**75,945**	75,945
Reserves	21	**886**	1,009	**435**	558
Accumulated profits (losses)		**30,868**	19,298	**(7,092)**	(18,313)
Total equity		**107,699**	96,252	**69,288**	58,190
Total liabilities and equity		**141,750**	143,937	**104,884**	106,928

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
Year ended 31 March 2016

	Note	Group 2016 $'000	Group 2015 $'000
Revenue	22	**78,390**	86,739
Cost of sales		**(56,116)**	(68,347)
Gross profit		**22,274**	18,392
Other income (net)	23	**6,887**	1,759
Distribution expense		**(3,235)**	(3,046)
Administrative expenses		**(11,130)**	(7,127)
Finance costs	24	**(576)**	(679)
Profit before tax		**14,220**	9,299
Income tax expense	25	**(1,511)**	(1,194)
Profit for the year attributable to owners of the company	26	**12,709**	8,105
Basic and diluted earnings per share (cents)	28	**16.73**	10.67

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 March 2016

	Group	
	2016	**2015**
	$'000	**$'000**
Profit for the year	**12,709**	8,105
Other comprehensive (loss) income (net of tax)		
Items that may be reclassified subsequently to profit or loss		
Available-for-sale investments	**(123)**	61
Exchange differences reclassified to profit or loss on deconsolidation of subsidiaries	**-**	(1,414)
Exchange differences on translation of foreign operations	**-**	2
Total comprehensive income for the year attributable to owners of the company	**12,586**	6,754

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN EQUITY

Year ended 31 March 2016

	Note	Share capital $'000	← Reserves: Reserves $'000	Reserves: Investment revaluation $'000	Reserves: Total reserves $'000 →	Accumulated profits $'000	Attributable to equity holders of the company $'000
Group							
Balance at 1 April 2014		75,945	1,863	497	2,360	12,332	90,637
Total comprehensive income for the year							
Profit for the year		-	-	-	-	8,105	8,105
Other comprehensive (loss) income		-	(1,412)	61	(1,351)	-	(1,351)
Total		-	(1,412)	61	(1,351)	8,105	6,754
Dividends paid, representing transactions with owners, recognised directly in equity	27	-	-	-	-	(1,139)	(1,139)
Balance at 31 March 2015		75,945	451	558	1,009	19,298	96,252
Total comprehensive income for the year							
Profit for the year		-	-	-	-	12,709	12,709
Other comprehensive loss		-	-	(123)	(123)	-	(123)
Total		-	-	(123)	(123)	12,709	12,586
Dividends paid, representing transactions with owners, recognised directly in equity	27	-	-	-	-	(1,139)	(1,139)
Balance as at 31 March 2016		75,945	451	435	886	30,868	107,699

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN EQUITY

Year ended 31 March 2016

	Note	Share capital $'000	Investment revaluation reserve $'000	Accumulated losses $'000	Total $'000
Company					
Balance as at 1 April 2014		75,945	497	(19,927)	56,515
Total comprehensive income for the year					
Profit for the year		-	-	2,753	2,753
Other comprehensive income		-	61	-	61
Total		-	61	2,753	2,814
Dividends paid, representing transactions with owners, recognised directly in equity	27	-	-	(1,139)	(1,139)
Balance as at 31 March 2015		75,945	558	(18,313)	58,190
Total comprehensive income for the year					
Profit for the year		-	-	12,360	12,360
Other comprehensive loss		-	(123)	-	(123)
Total		-	(123)	12,360	12,237
Dividends paid, representing transactions with owners, recognised directly in equity	27	-	-	(1,139)	(1,139)
Balance as at 31 March 2016		75,945	435	(7,092)	69,288

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
Year ended 31 March 2016

	Group	
	2016	**2015**
	$'000	**$'000**
Operating activities		
Profit before tax	**14,220**	9,299
Adjustments for:		
Depreciation of property, plant and equipment	**8,313**	9,677
Loss (Gain) from fair value adjustments on investment properties	**900**	(2,300)
Gain on deconsolidation of subsidiaries	**-**	(1,414)
Write-off of property, plant and equipment	**1,299**	1,545
(Gain) Loss from fair value adjustments on derivative financial instruments	**(1,435)**	1,407
Impairment loss on plant and machinery	**11,000**	-
Amortisation of front end fee	**75**	75
Foreign exchange differences	**(75)**	885
Dividend income	**(28)**	(22)
Gain on disposal of property, plant and equipment	**-**	(5)
Interest expense	**576**	679
Interest income	**(11)**	(5)
Operating cash flows before movements in working capital	**34,834**	19,821
Trade and other receivables	**3,499**	(1,637)
Inventories	**(1,312)**	731
Trade and other payables	**(2,664)**	(1,695)
Cash generated from operations	**34,357**	17,220
Dividends paid	**(1,139)**	(1,139)
Income tax paid	**(1,817)**	(249)
Interest paid	**(576)**	(679)
Interest received	**11**	5
Dividends received	**28**	22
Net cash from operating activities	**30,864**	15,180

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
Year ended 31 March 2016

	Group	
	2016	**2015**
	$'000	**$'000**
Investing activities		
Proceeds on disposal of property, plant and equipment	-	5
Purchase of property, plant and equipment (Note A)	(697)	(464)
Additions to available-for-sale investments	(10)	(28)
Net cash used in investing activities	(707)	(487)
Financing activities		
Repayment of short-term bank loans (net)	(3,640)	(2,304)
Repayment of long-term bank loans	(5,500)	(5,500)
Repayment of obligations under finance leases	(140)	(154)
Net cash used in financing activities	(9,280)	(7,958)
Net increase in cash and cash equivalents	20,877	6,735
Cash and cash equivalents at beginning of year	27,315	20,882
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies	(175)	(302)
Cash and cash equivalents at end of year	48,017	27,315

Note A

During the year, the group acquired property, plant and equipment with an aggregate cost of $747,000 (2015: $464,000) of which $50,000 (2015: $Nil) was acquired by way of finance leases.

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 2016 were authorised for issue by the Board of Directors on 23 May 2016.

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 ("FRS").

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 FRS 102 *Share-based Payment*, leasing transactions that are within the scope of FRS 17 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in FRS 2 *Inventories* or value in use in FRS 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.

ADOPTION OF NEW AND REVISED STANDARDS – On 1 April 2015, the group has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are effective from that date and relevant to its operations. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the group's and company's accounting policies and has no material effect on the amounts reported for the current or prior years.

At the date of authorisation of these financial statements, the following new/revised FRSs, INT FRSs and amendments to FRS that are relevant to the group and the company were issued but not effective:

- FRS 109 *Financial Instruments*[2]
- FRS 115 *Revenue from Contracts with Customers*[2]
- Amendments to FRS 1 *Presentation of Financial Statements: Disclosure Initiative*[1]
- Amendments to FRS 110 *Consolidated Financial Statements* and FRS 28 *Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3]
- Improvements to Financial Reporting Standards (November 2014)[1]

[1] *Applies to annual periods beginning on or after January 1, 2016, with early application permitted.*
[2] *Applies to annual periods beginning on or after January 1, 2018, with early application permitted.*
[3] *Application has been deferred indefinitely, however, early application is still permitted.*

Consequential amendments were also made to various standards as a result of these new/revised standards.

Management anticipates that the adoption of the above FRSs, INT FRSs and amendments to FRS 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:

FRS 109 *Financial Instruments*

FRS 109 was issued in December 2014 to replace FRS 39 *Financial Instruments*: *Recognition and Measurement* and introduced new requirements for (i) the classification and measurement of financial assets and financial liabilities; (ii) general hedge accounting and; (iii) impairment requirements for financial assets.

Key requirements of FRS 109:

- All recognised financial assets that are within the scope of FRS 39 are now required to be subsequently measured at amortised cost or fair value through profit or loss (FVTPL). Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at fair value through other comprehensive income (FVTOCI). All other debt investments and equity investments are measured at FVTPL at the end of subsequent accounting periods. In addition, under FRS 109, entities may make an irrevocable election, at initial recognition, to measure an equity investment (that is not held for trading) at FVTOCI, with only dividend income generally recognised in profit or loss.

- With some exceptions, financial liabilities are generally subsequently measured at amortised cost. With regard to the measurement of financial liabilities designated as at FVTPL, FRS 109 requires that the amount of change in fair value of such financial liability that is attributable to changes in the credit risk to be presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch to profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss.

- In relation to the impairment of financial assets, FRS 109 requires an expected credit loss model, as opposed to an incurred credit loss model under FRS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. It is no longer necessary for a credit event to have occurred before credit losses are recognised.

- The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in the existing FRS 39. Under FRS 109, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

Management is currently evaluating the potential impact of the application of these amendments to FRS 109 on the financial statements of the group and of the company in the period of initial application.

FRS 115 ***Revenue from Contracts with Customers***

In November 2014, FRS 115 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. FRS 115 will supersede the current revenue recognition guidance including FRS 18 *Revenue*, FRS 11 *Construction Contracts* and the related Interpretations when it becomes effective.

The core principle of FRS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contracts with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognise revenue when (or as) the entity satisifies a performance obligation.

Under FRS 115, an entity recognises revenue when a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. In addition, extensive disclosures are required by FRS 115.

Management is currently evaluating the potential impact of the application of these amendments to FRS 115 on the financial statements of the group and of the company in the period of initial application.

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 FRSs). 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 FRS 39, 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.

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 FRS 105 *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 FRS 39 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 FRS 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 FRS 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 FRS 39. 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.

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.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period. Income and expense is recognised on an effective interest basis for debt instruments.

Financial assets

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 certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 30 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

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 liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the group are classified according to the substance of the contractual arrangements entered into 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 the group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Trade and other payables and amount due to subsidiaries are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis, except for short-term balances where the recognition of interest would be immaterial.

Interest-bearing bank loans and overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the group's accounting policy for borrowing costs (see below).

Derecognition of financial liabilities

The group derecognises financial liabilities when, and only when, the group's obligations are discharged, cancelled or they expire.

Derivative financial instruments

The group enters into forward foreign exchange contracts to manage its exposure to foreign exchange rate risks. Further details of derivative financial instruments are disclosed in Note 18 to the financial statements.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss.

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than twelve months and it is not expected to be realised or settled within twelve months. Other derivatives are presented as current assets or current liabilities.

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 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.

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.

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.

The group as lessor

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.

The group as lessee

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.

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- the group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;

- it is probable that the economic benefits associated with the transaction will flow to the group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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.

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, except for the following:

a) Use of going concern assumption

The group's and the company's revenue are generated primarily from a few customers in the industrial chemicals segment.

In the preparation of the financial statements of the group and the company, the going concern assumption is used. The group's forecast for the twelve months ending 31 March 2017 indicates that the group and company have adequate resources to pay their debts when they fall due. The group also has investment properties, which can be sold to generate additional cashflows, if necessary. Hence, the group and the company are able to continue to operate as going concerns within the next twelve months after the end of the reporting period.

b) Deferred taxation on investment properties

For the purposes of measuring deferred tax liabilities or deferred tax assets arising from investment properties that are measured using the fair value model, the management has reviewed the group's investment property portfolio and concluded that, while certain of the group's investment properties are depreciable, they are not held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, in determining the group's deferred taxation on investment properties, the management has determined that the presumption that investment properties measured using the fair value model are recovered through sale is not rebutted.

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 2016, impairment loss on property, plant and equipment of $11 million (2015: $Nil) has been recognised in profit or loss.

The carrying amount of the property, plant and equipment 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 property, 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 amount of property, plant and equipment of the group and company is disclosed in Note 9 to the financial statements, after taking into account impairment loss on property, plant and equipment of $11,000,000 (2015: $Nil) for the year ended 31 March 2016.

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 Notes 4 and 10 to the financial statements.

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

d) Allowances for doubtful debts

The policy for allowances for doubtful debts of the group and the company is based on the evaluation of collectability and on management's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the current creditworthiness, the past collection history of each customer and on-going dealings with these parties. If the financial conditions of the counterparties with which the company were to deteriorate, resulting in an impairment of their abilities to make payments, additional allowances may be required. As at 31 March 2016 and 2015, no allowance for doubtful debts has been made.

The carrying amounts of the group's and the company's trade and other receivables are disclosed in Note 7 to the financial statements.

e) 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 price and movement trend of each inventory.

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 RISK MANAGEMENT

(a) *Categories of financial instruments*

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

	Group		Company	
	2016	**2015**	**2016**	**2015**
	$'000	**$'000**	**$'000**	**$'000**
Financial assets				
Loans and receivables (including cash and cash equivalents)	**55,185**	38,833	**52,295**	36,775
Available-for-sale investments	**602**	715	**602**	715
	55,787	39,548	**52,897**	37,490
Financial liabilities				
Derivative financial instrument	**-**	1,435	**-**	1,435
Amortised cost	**24,227**	36,120	**26,012**	37,380
	24,227	37,555	**26,012**	38,815

(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.

The group enters into foreign exchange forward contracts to manage its exposure to foreign currency risk. The group does not hold or issue derivative financial instruments for speculative purposes.

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------->				<-------Derivative------->				Net Exposure	
	Liabilities		Assets		Liabilities		Assets			
	2016 $'000	2015 $'000	2016 $'000	2015 $'000	2016 $'000	2015 $'000	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Group										
United-States dollars	11,147	10,719	25,554	15,640	-	1,435	-	-	14,407	3,486
Company										
United-States dollars	11,147	10,719	25,554	15,640	-	1,435	-	-	14,407	3,486

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 or loss will improve by approximately:

	2016 $'000	2015 $'000
Group		
Profit for the year	**1,441**	349
Company		
Profit for the year	**1,441**	349

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

In 2015, the group and company entered into forward foreign exchange contracts to manage its exposure to foreign exchange risk. Details of the forward foreign exchange contracts are disclosed in Note 18 to the financial statements.

(ii) Interest rate risk management

The group and company are exposed to interest rate risks due to the fluctuation of the prevailing market interest rate on fixed deposits and bank borrowings.

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

Interest rate sensitivity

The sensitivity analysis below has been determined based on the exposure to interest rates for the fixed deposits, bank overdrafts and bank loans at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period.

If interest rates had been 50 basis points higher or lower and all other variables were held constant, the group's and the company's profit for the year would decrease/increase by approximately $78,000 (2015 : decrease/increase by $148,000). This is mainly attributable to the group's and company's exposure to interest rates on its variable rate borrowings.

(iii) Equity price risk management

The group and company are exposed to equity risks arising from equity investments classified as available-for-sale. Available-for-sale equity investments are held for strategic rather than trading purposes. The group does not actively trade available-for-sale equity investments.

Further details of available-for-sale equity investments can be found in Note 13 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.

In respect of available-for-sale equity 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 $60,000 (2015 : $72,000).

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

(iv) 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 4 (2015: 5) customers from the industrial chemicals segment. The amounts receivable from these customers represented approximately 31% (2015 : 65%) of the total trade receivables of the group. Management believes that the financial standing of these customers which are major multinational corporations substantially mitigates the group's exposure to credit risk.

(v) 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 tables detail the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the group and company can be required to pay.

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 anticipates that the cash flow will occur in a different period.

		Contractual cash flows (including interest payments)		
	Carrying amount $'000	**Total $'000**	**On demand or within 1 year $'000**	**Within 2 to 5 years $'000**
Group				
2016				
Non-interest bearing	3,507	3,507	3,507	-
Finance lease liability (fixed rate)	229	240	117	123
Variable interest rate instruments	20,491	20,894	20,894	-
	24,227	24,641	24,518	123
2015				
Non-interest bearing	6,218	6,218	6,218	-
Finance lease liability (fixed rate)	319	333	147	186
Variable interest rate instruments	29,583	30,063	19,853	10,210
	36,120	36,614	26,218	10,396
Company				
2016				
Non-interest bearing	5,473	5,473	5,473	-
Finance lease liability (fixed rate)	48	54	11	43
Variable interest rate instruments	20,491	20,894	20,894	-
	26,012	26,421	26,378	43
2015				
Non-interest bearing	7,757	7,757	7,757	-
Finance lease liability (fixed rate)	40	41	41	-
Variable interest rate instruments	29,583	30,063	19,853	10,210
	37,380	37,861	27,651	10,210

The group's and company's financial assets are mainly due on demand or within 1 year.

(vi) 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 and financial liabilities 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)**
	2016 Assets (Liabilities)	**2015 Assets (Liabilities)**		
Available-for-sale investment	602	715	Level 1	Quoted bid prices in an active market
Derivative financial instrument	-	(1,435)	Level 2	Discounted cash flow. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

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. The carrying amount of long-term bank loan approximates its fair value.

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

(d) *Capital risk 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, accumulated profits and bank borrowings.

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 balances its overall capital structure through the payment of dividends as well as the issue of new debt or the redemption of existing debt.

The group's overall strategy remains unchanged from 2015.

5 RELATED COMPANY 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	
	2016	**2015**
	$'000	**$'000**
Short-term benefits	**6,944**	3,529
Post employment benefits	**85**	65
	7,029	3,594

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	
	2016	**2015**	**2016**	**2015**
	$'000	**$'000**	**$'000**	**$'000**
Cash	**45,968**	25,276	**41,624**	21,945
Fixed deposits	**2,038**	2,028	**-**	-
Cash on hand	**11**	11	**11**	11
	48,017	27,315	**41,635**	21,956

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 effective interest rate of 0.5% (2015 : 0.20%) per annum and for a tenure of approximately 30 days (2015 : 30 days).

Cash and bank balances of the company are secured for bank loans as disclosed in Note 14.

7 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2016	**2015**	**2016**	**2015**
	$'000	**$'000**	**$'000**	**$'000**
Trade receivable due from:				
Sale of goods	**6,984**	11,433	**6,984**	11,433
Sundry debtors	**129**	52	**125**	48
Rental deposits	**44**	30	**22**	12
Prepayments	**2,665**	1,638	**2,604**	1,558
Income tax recoverable	**199**	199	**199**	199
Other deposits	**11**	3	**11**	2
	10,032	13,355	**9,945**	13,252

The average credit period on sales of goods is 30 days (2015 : 30 days). No interest is charged on the 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.

The group and company have not provided for certain receivables amounting to $2,764,000 (2015 : $3,204,000) which are past due at the end of the reporting period as there has not been a significant change in credit quality. These receivables are on average past due for 30 days (2015 : 30 days). The group and company have also assessed receivables that are current and not impaired and determined that no allowances are required. The group does not hold any collateral over these balances.

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

8 INVENTORIES

	Group		Company	
	2016	**2015**	**2016**	**2015**
	$'000	**$'000**	**$'000**	**$'000**
Finished goods	**3,563**	2,319	**3,721**	2,401
Raw materials	**2,200**	1,927	**2,218**	1,927
Packing and other materials	**348**	553	**348**	553
	6,111	4,799	**6,287**	4,881

9 PROPERTY, PLANT AND EQUIPMENT

	Construction-in-progress $'000	Leasehold buildings $'000	Plant and machinery $'000	Steel cylinders $'000	Laboratory equipment $'000	Office equipment, furniture and fittings $'000	Motor vehicles $'000	Total $'000
Group								
Cost:								
At 1 April 2014	1,843	31,742	113,422	4,333	491	1,780	2,493	156,104
Additions	109	-	106	-	3	66	180	464
Disposals/Write-off (1)	-	-	(3,972)	-	-	(722)	(71)	(4,765)
Transfers	(1,664)	-	1,664	-	-	-	-	-
At 31 March 2015	288	31,742	111,220	4,333	494	1,124	2,602	151,803
Additions	136	-	147	146	-	74	244	747
Disposals/Write-off (2)	-	-	(2,612)	-	-	-	(174)	(2,786)
At 31 March 2016	424	31,742	108,755	4,479	494	1,198	2,672	149,764
Accumulated depreciation:								
At 1 April 2014	-	18,085	62,883	3,772	416	1,167	1,970	88,293
Depreciation	-	1,339	7,883	106	8	109	232	9,677
Eliminated on disposals/write-off	-	-	(2,899)	-	-	(250)	(71)	(3,220)
At 31 March 2015	-	19,424	67,867	3,878	424	1,026	2,131	94,750
Depreciation	-	1,283	6,619	107	9	54	241	8,313
Eliminated on disposals/write-off	-	-	(1,313)	-	-	-	(174)	(1,487)
At 31 March 2016	-	20,707	73,173	3,985	433	1,080	2,198	101,576
Impairment:								
Impairment loss recognised in the year ended 31 March 2016 and balance at 31 March 2016	-	-	11,000	-	-	-	-	11,000
Carrying amount:								
At 31 March 2016	424	11,035	24,582	494	61	118	474	37,188
At 31 March 2015	288	12,318	43,353	455	70	98	471	57,053

During the year, the group carried out a review of the recoverable amount of its plant and machinery, taking into account the early termination of supply agreements by customers. These assets are used in the group's Industrial Chemicals segment. The review led to the recognition of an impairment loss of $11 million to impair the carrying amount of the relevant assets. This has been recognised in profit or loss, and included in the line item – Other income (net).

(1)Amount included write-off of property, plant and equipment of $1,545,000 for the year ended 31 March 2015.
(2)Amount included write-off of property, plant and equipment of $1,299,000 for the year ended 31 March 2016.

	Construction-in-progress $'000	Leasehold buildings $'000	Plant and machinery $'000	Steel cylinders $'000	Laboratory equipment $'000	Office equipment, furniture and fittings $'000	Motor vehicles $'000	Total $'000
Company								
Cost:								
At 1 April 2014	1,843	31,742	112,493	4,333	491	1,432	457	152,791
Additions	109	-	23	-	3	66	92	293
Disposals/Write-off [1]	-	-	(3,875)	-	-	(722)	(53)	(4,650)
Transfers	(1,664)	-	1,664	-	-	-	-	-
At 31 March 2015	288	31,742	110,305	4,333	494	776	496	148,434
Additions	136	-	52	146	-	13	103	450
Disposals/Write-off [2]	-	-	(2,612)	-	-	-	(65)	(2,677)
At 31 March 2016	424	31,742	107,745	4,479	494	789	534	146,207
Accumulated depreciation:								
At 1 April 2014	-	18,085	62,146	3,772	416	872	419	85,710
Depreciation	-	1,339	7,849	106	8	56	54	9,412
Eliminated on disposals/write-off	-	-	(2,802)	-	-	(250)	(53)	(3,105)
At 31 March 2015	-	19,424	67,193	3,878	424	678	420	92,017
Depreciation	-	1,283	6,579	107	9	46	30	8,054
Eliminated on disposals/write-off	-	-	(1,313)	-	-	-	(65)	(1,378)
At 31 March 2016	-	20,707	72,459	3,985	433	724	385	98,693
Impairment:								
Impairment loss recognised in the year ended 31 March 2016 and balance at 31 March 2016	-	-	11,000	-	-	-	-	11,000
Carrying amount:								
At 31 March 2016	424	11,035	24,286	494	61	65	149	36,514
At 31 March 2015	288	12,318	43,112	455	70	98	76	56,417

During the year, the company carried out a review of the recoverable amount of its plant and machinery, taking into account the early termination of supply agreements by customers. These assets are used in the group's Industrial Chemicals segment. The review led to the recognition of an impairment loss of $11 million to impair the carrying amount of the relevant assets. This has been recognised in profit or loss, and included in the line item – Other income (net).

[1]Amount included write-off of property, plant and equipment of $1,545,000 for the year ended 31 March 2015.
[2]Amount included write-off of property, plant and equipment of $1,299,000 for the year ended 31 March 2016.

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 leasehold buildings of the group and the company are secured for the group's and company's bank loans (Notes 14 and 15).

The carrying amounts of motor vehicles under finance lease agreements (Note 17) are as follows:

	Motor vehicles $'000
Group	
At 31 March 2016	199
At 31 March 2015	242
Company	
At 31 March 2016	92
At 31 March 2015	-

10 INVESTMENT PROPERTIES

	Freehold and leasehold land $'000	**Leasehold buildings and improvements $'000**	**Total $'000**
Group			
At fair value			
Balance at 1 April 2014	26,726	11,674	38,400
Gain from fair value adjustments included in profit or loss	1,601	699	2,300
Balance at 31 March 2015	28,327	12,373	40,700
Loss from fair value adjustments included in profit or loss	(626)	(274)	(900)
Balance at 31 March 2016	27,701	12,099	39,800

The fair values of the group's investment properties at 31 March 2016 and 2015 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 2016 and 2015 comprise:

Locations	Description	Tenure
a) 19 Carpenter Street Singapore 059902 Lots 99677C, 99675X, and 99674N of Town Subdivision 7	5 storey commercial building with net 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 net 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 lease, amounted to $1,419,000 (2015 : $1,263,000). Direct operating expenses (including repairs and maintenance) arising from the rental-generating investment properties amounted to $234,000 (2015 : $206,000).

Details of the group's investment properties and information about the fair value hierarchy as at 31 March 2016 and 2015 are as follows:

	Level 1 $'000	**Level 2 $'000**	**Level 3 $'000**	**Fair value $'000**
Investment properties				
As at 31 March 2016	-	-	39,800	39,800
As at 31 March 2015	-	-	40,700	40,700

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**
Shophouses			
31 March 2016	Price per square feet of floor area	$1,442 to $3,001	The higher the price per square feet, the higher the valuation assuming all other variables are held constant
31 March 2015	Price per square feet of floor area	$1,198 to $3,499	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 INVESTMENTS IN SUBSIDIARIES

	Company	
	2016	**2015**
	$'000	**$'000**
Unquoted equity shares - at cost	**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**	
		2016	2015
		%	%
Chem Transport Pte Ltd *	General carriers	**100**	100
Kimia Trading Pte. Ltd. *	General merchant, importer and exporter of chemicals	**100**	100
Juta Properties Private Limited *	Proprietor of commercial buildings	**100**	100
JPI Investments Pte Ltd ** (Shares held by Juta Properties Private Limited)	Dormant	**100**	100

The subsidiaries are incorporated in Singapore except for JPI Investments Pte Ltd.

*Audited by Deloitte & Touche LLP, Singapore
**Not required to be audited

12 ASSOCIATES

	Group	
	2016	**2015**
	$'000	**$'000**
Unquoted equity shares - at cost	**1**	1
Share of post-acquisition reserves	**(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 (2015 : $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	
		2016	2015
		%	%
Industrial Diamonds Enterprise B.V.I. Ltd. *	Dormant (Singapore)	**45**	45
Apex Superabrasive Co., Ltd. * (Shares held by Industrial Diamonds Enterprise B.V.I. Ltd.)	Dormant (Hong Kong)	**45**	45

*Apply for deregistration during the year

13 AVAILABLE-FOR-SALE INVESTMENTS

	Group and Company	
	2016	**2015**
	$'000	**$'000**
Quoted equity shares, at fair value	**602**	715

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.

14 LONG-TERM BANK LOANS

	Group and Company	
	2016	**2015**
	$'000	**$'000**
Secured - at amortised cost		
Bank loans	**9,952**	15,377
Less: Amount due for settlement within 12 months (shown under current liabilities)	**(9,952)**	(5,425)
Amount due for settlement after 12 months	**-**	9,952

Bank loans of $9,952,000 (2015 : $15,377,000) of the group and company are secured by the following:

i) a first all monies mortgage over the company's leasehold buildings (Note 9);

ii) a first fixed and floating charge over all the company's assets;

iii) a first fixed charge over all cash and bank balances and fixed deposits (Note 6) of the company;

iv) assignment by way of security, all relevant insurance policies of the company; and

v) a negative pledge over all the company's assets.

The group and company obtained a bank loan of $30 million in November 2011 which is repayable in semi-annual instalments of $2.75 million, with a final repayment of $7.25 million in November 2016. The first repayment of $750,000 was in May 2012. This bears interest at 1.75% above the bank's swap rate per annum.

The long-term bank loans are repayable as follows:

	Group and Company	
	2016	**2015**
	$'000	**$'000**
On demand or within one year	**10,000**	5,500
In the second year	**-**	10,000
	10,000	15,500
Less: Bank facility fees (net of amortisation)	**(48)**	(123)
	9,952	15,377
Less: Amount due for settlement within 12 months (shown under current liabilities)	**(9,952)**	(5,425)
Amount due for settlement after 12 months	**-**	9,952

15 SHORT-TERM BANK LOANS

	Group and Company	
	2016	**2015**
	$'000	**$'000**
Secured - at amortised cost		
Bills payable to banks	**10,539**	14,206

The bills payable bear interest at rates ranging from 1.56% to 2.67% (2015 : 1.32% to 2.46%) per annum. The bills payable are secured on the same terms as the company's bank loans and bank overdrafts as disclosed in Note 14.

16 TRADE AND OTHER PAYABLES

	Group		Company	
	2016	**2015**	**2016**	**2015**
	$'000	**$'000**	**$'000**	**$'000**
Outside parties	**1,579**	3,141	**1,148**	2,619
Accrued expenses	**1,605**	2,841	**1,529**	2,767
Sundry creditors	**323**	236	**318**	231
	3,507	6,218	**2,995**	5,617

The average credit period on purchases of goods is 30 days (2015 : 30 days). No interest is charged on the trade payables.

Trade payables comprise amounts outstanding for trade purchases.

17 FINANCE LEASES

	Minimum lease payments		Present value of minimum lease payments	
	2016 $'000	**2015 $'000**	**2016 $'000**	**2015 $'000**
Group				
Amounts payable under finance leases:				
Within one year	**117**	147	**111**	139
In the second to fifth year inclusive	**123**	186	**118**	180
	240	333	**229**	319
Less: Future finance charges	**(11)**	(14)	**-**	-
Present value of finance lease obligations	**229**	319	**229**	319
Less: Amount due for settlement within 12 months (shown under current liabilities)			**(111)**	(139)
Amount due for settlement after 12 months			**118**	180
Company				
Amounts payable under finance leases:				
Within one year	**11**	41	**9**	40
In the second to fifth year inclusive	**43**	-	**39**	-
	54	41	**48**	40
Less: Future finance charges	**(6)**	(1)	**-**	-
Present value of finance lease obligations	**48**	40	**48**	40
Less: Amount due for settlement within 12 months (shown under current liabilities)			**(9)**	(40)
Amount due for settlement after 12 months			**39**	-

It is the group's policy to lease certain of its motor vehicles under finance leases. The average lease term is 5 years (2015 : 5 years). The effective borrowing rate ranges from 2.75% to 4.48% (2015 : 2.75% to 4.1%) 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.

18 DERIVATIVE FINANCIAL INSTRUMENTS

	Group and Company	
	2016 Liabilities $'000	2015 Assets $'000
Forward foreign exchange contracts - fair value	-	(1,435)
Analysed as: Current	-	(1,435)

The group and company use forward foreign exchange contracts to manage its exposure to foreign exchange risk arising from United States dollar.

The following table details the forward foreign currency contracts outstanding as at 31 March 2016 and 2015:

	Average exchange rate	Foreign currency US$'000	Contract value US$'000	Fair value loss US$'000
Group and Company				
Sell US dollars less than a year				
As at 31 March 2016	-	-	-	-
As at 31 March 2015	1.2928	11,500	14,403	1,435

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 2014	8,592
Credit to profit or loss (Note 25)	(240)
At 31 March 2015	8,352
Credit to profit or loss (Note 25)	(3,427)
At 31 March 2016	4,925
Company	
At 1 April 2014	8,581
Credit to profit or loss (Note 25)	(239)
At 31 March 2015	8,342
Credit to profit or loss (Note 25)	(3,456)
At 31 March 2016	4,886

20 SHARE CAPITAL

	Group and Company			
	2016	2015	2016	2015
	Number of ordinary shares		$'000	$'000
	$'000	$'000		
Issued and paid up:				
At the beginning and end of the year	**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.

22 REVENUE

	Group	
	2016 $'000	2015 $'000
Sale of goods	**76,971**	85,476
Rental income	**1,419**	1,263
	78,390	86,739

23 OTHER INCOME (NET)

	Group	
	2016	**2015**
	$'000	**$'000**
Dividend income	**28**	22
Interest income	**11**	5
Gain on disposal of property, plant and equipment	**-**	5
Insurance claim	**-**	12
Net foreign exchange loss	**(1,723)**	(885)
Settlement sums received	**18,419**	-
Impairment loss on plant and machinery (Note 9)	**(11,000)**	-
(Loss) Gain from fair value adjustments in investment properties	**(900)**	2,300
Gain from deconsolidation of subsidiaries	**-**	1,414
Gain (Loss) from fair value adjustments on forward foreign exchange contracts	**1,435**	(1,407)
Others	**617**	293
	6,887	1,759

The settlement sums received relate to early termination of supply agreements by customers.

24 FINANCE COSTS

	Group	
	2016	**2015**
	$'000	**$'000**
Interest expense:		
Bank loans	**568**	626
Bank overdrafts	**-**	39
Finance leases	**8**	14
	576	679

25 INCOME TAX EXPENSE

	Group	
	2016	**2015**
	$'000	**$'000**
Income tax expense:		
Current	**4,940**	1,766
Overprovision in prior years	**(2)**	(332)
	4,938	1,434
Deferred tax credit (Note 19):		
Current	**(3,193)**	(240)
Overprovision in prior years	**(234)**	-
	(3,427)	(240)
Total income tax expense	**1,511**	1,194

Domestic income tax is calculated at 17% (2015 : 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	
	2016	**2015**
	$'000	**$'000**
Profit before income tax	**14,220**	9,299
Income tax expense calculated at 17%	**2,417**	1,581
Effects of items that are not taxable in determining taxable profit	**(522)**	131
Effect of tax concession	**(16)**	(10)
Effect of revenue that is exempted from taxation	**(85)**	(88)
Overprovision in prior years	**(236)**	(332)
Tax rebate	**(60)**	(60)
Others	**13**	(28)
Income tax expense recognised in profit or loss	**1,511**	1,194

26 PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging:

	Group	
	2016	**2015**
	$'000	**$'000**
Depreciation of property, plant and equipment	**8,313**	9,677
Directors' remuneration	**5,902**	2,350
Directors' fees	**390**	255
Employee benefits expense (including directors' remuneration)	**12,298**	8,469
Costs of defined contribution plans included in employee benefits expense	**471**	391
Write-off of property, plant and equipment	**1,299**	1,545
Audit fees paid to auditors of the company	**59**	59
Non-audit fees paid to auditors of the company	**14**	14
Cost of inventories recognised as an expense	**22,778**	23,849
Net foreign exchange loss	**1,723**	885

27 DIVIDENDS PAID

During the financial year ended 31 March 2016, 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 2015.

Subsequent to the financial year ended 31 March 2016, the company recommended a final one tier tax-exempt dividend at 3.0 cent per share and a special dividend of 5.0 cent per share on the ordinary shares of the company totaling $6,076,000 in respect of the financial year ended 31 March 2016. The proposed dividend is subject to shareholders' approval and has not been included as a liability.

During the financial year ended 31 March 2015, the company paid a final one-tier tax exempt dividend of 1.5 cent per share on the ordinary shares of the company totaling $1,139,000 in respect of the financial year ended 31 March 2014.

28 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	
	2016	**2015**
	$'000	**$'000**
Profit attributable to equity holders of the company ($'000)	**12,709**	8,105
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)	**16.73**	10.67

29 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 FRS 108. 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	
	2016	**2015**	**2016**	**2015**
	$'000	**$'000**	**$'000**	**$'000**
Industrial Chemicals	**76,971**	85,476	**14,727**	5,428
Properties	**1,419**	1,263	**30**	4,523
Total	**78,390**	86,739	**14,757**	9,951
Interest income			**11**	5
Dividend income			**28**	22
Finance costs			**(576)**	(679)
Profit before income tax			**14,220**	9,299
Income tax expense			**(1,511)**	(1,194)
Consolidated revenue and profit for the year	**78,390**	86,739	**12,709**	8,105

Revenue reported above represents revenue generated from external customers. There were no inter-segment sales during the year (2015 : $Nil).

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, write back of bad debts previously written off, finance costs and income tax expense.

Segment assets

	2016 $'000	2015 $'000
Industrial Chemicals	**95,016**	97,214
Properties	**46,132**	46,008
Total segment assets	**141,148**	143,222
Unallocated assets	**602**	715
Consolidated assets	**141,750**	143,937

All assets are allocated to reportable segments other than available-for-sale investments (Note 13).

Other segment information

	Capital expenditure		Depreciation	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Industrial Chemicals	**685**	429	**8,291**	9,610
Properties	**62**	35	**22**	67
	747	464	**8,313**	9,677

In addition to the capital expenditure and depreciation reported above, impairment loss of $11 million (2015: $Nil) was recognised in respect of plant and machinery. This impairment loss was attributable to the industrial chemicals segment.

Information about major customers

64% (2015 : 75%) of the group's industrial chemicals as well as properties revenue is generated from the top 5 (2015 : 5) customers.

Geographical information

The group's assets and operations are located primarily in Singapore.

30 OPERATING LEASE ARRANGEMENTS

The group as a lessee

	Group and Company	
	2016	**2015**
	$'000	**$'000**
Minimum lease payments under operating leases recognised as an expense in the year	**1,062**	1,007

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

	Group and Company	
	2016	**2015**
	$'000	**$'000**
Within one year	**1,088**	1,031
In the second to fifth year inclusive	**4,351**	4,125
After the fifth year	**6,131**	6,844
	11,570	12,000

Leases are negotiated for a term ranging from two to thirty 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 $1,419,000 (2015 : $1,263,000).

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

	Group and Company	
	2016	**2015**
	$'000	**$'000**
Within one year	**1,067**	1,466
In the second to fifth year inclusive	**1,159**	1,196
	2,226	2,662

This page has been intentionally left blank.

FINANCIAL PROFILE
Unit: $'000

	2012	2013	2014	2015	2016
Revenue	107,009	111,841	100,162	86,739	78,390
Profit before tax	2,234	1,402	10,999	9,299	14,220
Tax (expense) credit	612	262	(654)	(1,194)	(1,511)
Profit for the year	2,846	1,664	10,345	8,105	12,709
Attributable to:					
Equity holders of the company	2,846	1,664	10,345	8,105	12,709
ASSETS					
Property, plant and equipment	73,473	76,728	67,811	57,053	37,188
Available-for-sale investments	527	623	626	715	602
Investment properties	29,500	32,400	38,400	40,700	39,800
Current Assets	38,967	34,315	40,666	45,469	64,160
Total assets	142,467	144,066	147,503	143,937	141,750
LIABILITIES					
Deferred tax liabilities	8,415	8,033	8,592	8,352	4,925
Non-current liabilities	26,597	21,275	15,696	10,132	118
Current liabilities	27,399	33,688	32,578	29,201	29,008
Total liabilities	62,411	62,996	56,866	47,685	34,051
CAPITAL AND RESERVES					
Share Capital	75,945	75,945	75,945	75,945	75,945
Reserves	2,270	2,379	2,360	1,009	886
Accumulated profits	1,841	2,746	12,332	19,298	30,868
Total equity	80,056	81,070	90,637	96,252	107,699
Per Share:	cts	cts	cts	cts	cts
Earnings before tax	2.94	1.85	14.48	12.24	18.72
Earnings after tax	3.75	2.19	13.62	10.67	16.73
Dividend (net)	1.00	1.00	1.50	1.50	8.00
Net tangible asset	105	107	119	127	142

SHAREHOLDING STATISTICS
AS AT 18 MAY 2016

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	61	5.22	1,934	0.00
100 - 1,000	251	21.47	154,510	0.20
1,001 - 10,000	590	50.47	2,622,385	3.46
10,001 - 1,000,000	260	22.24	15,300,150	20.15
1,000,001 and above	7	0.60	57,866,420	76.19
TOTAL	1,169	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
UNITED OVERSEAS BANK NOMINEES PTE LTD	13,845,870	18.23
UOB KAY HIAN PTE LTD	4,976,000	6.55
DBS NOMINEES PTE LTD	3,754,682	4.94
LIM SOO PENG	2,764,250	3.64
RAFFLES NOMINEES (PTE) LTD	1,218,450	1.60
LAU GEOK CHENG	1,013,668	1.33
DBS VICKERS SECURITIES (S) PTE LTD	780,500	1.03
HONG LEONG FINANCE NOMINEES PTE LTD	670,000	0.88
MICHAEL LIN DAOJI	650,000	0.86
EASTERN RUBBER COMPANY (MALAYA) PTE LIMITED	550,000	0.72
CHUA MAISIE	400,000	0.53
NG KEE SENG	368,000	0.48
YEE LAT SHING	300,000	0.40
MAYBANK KIM ENG SECURITIES PTE LTD	291,148	0.38
YIM WING CHEONG	270,000	0.36
THIO DJOE GUEK	268,687	0.35
LEE SOON HIAN	258,900	0.34
YEO TECK KIM	250,050	0.33
LIEW PAK CHAN	214,000	0.28
TOTAL	**63,137,705**	**83.12**

Percentage of Shares held by the Public
Based on information available to the Company as at 18 May 2016, approximately 27.8% 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 18 MAY 2016

NAME OF SUBSTANTIAL SHAREHOLDERS	**Direct Interest**	**%**	**Deemed Interest**	**%**
Lim Soo Peng	2,764,250	3.64	32,465,500[1]	42.74
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 272,000 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.

This page has been intentionally left blank.

CHEMICAL INDUSTRIES (FAR EAST) LIMITED.

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

NOTICE OF 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 THURSDAY, 30 JUNE 2016 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 2016 together with the Auditors' Report thereon. **(Resolution 1)**

2. To approve Directors' fee of $390,000 (2015: $255,000) for the financial year ended 31 March 2016. **(Resolution 2)**

3. To declare a first and final dividend (one-tier tax exempt) of 3 cents per ordinary share and a special dividend (one-tier tax exempt) of 5 cents per ordinary share for the financial year ended 31 March 2016 (2015: first and final dividend (one-tier tax exempt) of 1.5 cents per ordinary share). **(Resolution 3)**

4. To re-elect Ms Valerie Ong Choo Lin, a director retiring pursuant to Article 95(2) of the Company's Constitution. **(Resolution 4)**

5. To re-elect Mr Lim Yew Tee Collin, a director retiring pursuant to Article 96 of the Company's Constitution. **(Resolution 5)**

6. To re-appoint the following directors as Directors

   (a) Mr Lim Soo Peng **(Resolution 6)**
   (b) Dr Chua Sui Leng **(Resolution 7)**
   (c) Dr Wan Soon Bee **(Resolution 8)**
   (See Explanatory Note 1)

7. To re-appoint Deloitte & Touche LLP as auditors of the Company to hold office until the next Annual General Meeting and to authorize the Directors to fix their remuneration. **(Resolution 9)**

AS SPECIAL BUSINESS

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

8. Authority to allot and issue shares

   (a) That pursuant to Section 161 of the Companies Act, Cap. 50, and 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;

      (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;

(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), 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 for the purpose of this Resolution, the total number of issued shares (excluding treasury shares) shall be the Company's total number of issued shares (excluding treasury shares) 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 10)
(See Explanatory Note 2)

9. To transact any other business.

By Order of the Board

Foo Soon Soo
Company Secretary

Singapore, 15 June 2016

EXPLANATORY NOTES:-

1. **Resolutions 6, 7 and 8** are for the re-appointment of Mr Lim Soo Peng, Dr Chua Sui Leng and Dr Wan Soon Bee respectively. The directors were reappointed at the last annual general meeting to hold office until the conclusion of the forthcoming annual general meeting under Section 153(6) of the Companies Act (which was in force immediately before 3 January 2016 and repealed on 3 January 2016). Accordingly Mr Lim, Dr Chua and Dr Wan are retiring at the forthcoming annual general meeting and they have each been nominated for re-appointment. Upon re-appointment, Mr Lim, Dr Chua and Dr Wan will then be subject to retirement by rotation under the Constitution of the Company.

   Dr Chua Sui Leng will, upon re-appointment as Director of the Company, remain as the member of the Audit Committee. He will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST. He will also remain as the Chairman of the Remuneration Committee and a member of the Nominating Committee.

   Dr Wan Soon Bee will, upon re-appointment as Director of the Company, remain as a member of the Audit Committee. He will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST. He will also remain as the Chairman of the Nominating Committee and a member of the Remuneration Committee.

2. **Resolution 10**, 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) 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) 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) of the Company for this purpose shall be the total number of issued shares (excluding treasury shares) 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 (as defined in Section 181 of the Companies Act, Chapter 50) is entitled to appoint more than two proxies to attend, speak and vote at the meeting.

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

4. If the appointor is a corporation, the proxy must be executed under seal or the hand of its duly authorised officer or attorney.

5. The instrument appointing a proxy, together with the power of attorney (if any) under which it is signed or a notarially certified or office copy thereof must be deposited at the registered office of the Company at 3 Jalan Samulun, Singapore 629127 not later than 48 hours before the time appointed for the Annual General Meeting.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and /or representative(s) to attend, speak and vote at the Annual General 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 Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General 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.

NOTICE OF BOOKS CLOSURE DATE

NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members of Chemical Industries (Far East) Limited (the "Company") will be closed on 11 July 2016 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 8 July 2016 will be registered to determine shareholders' entitlements to the proposed final dividend and special dividend. Members whose securities accounts with The Central Depository (Pte) Limited credited with shares in the Company at 5.00 p.m. on 8 July 2016 will be entitled to such proposed dividends.

Payment of the proposed dividends, if approved by shareholders at the Annual General Meeting to be held on 30 June 2016 will be paid on 19 July 2016.

By Order of the Board

Foo Soon Soo
Company Secretary

Singapore, 15 June 2016

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 moneys to buy shares in CHEMICAL INDUSTRIES (FAR EAST) LIMITED, this Annual Report is forwarded to them at the request of the CPF Approved Nominees.*
3. *This proxy form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.*

PROXY FORM
ANNUAL GENERAL MEETING

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 to be represented by proxy (%)
*and/or			

as *my/our *proxy/proxies, to vote for *me/us on *my/our behalf at the Annual General Meeting of the Company to be held at 3 Jalan Samulun, Singapore 629127 on Thursday, 30 June 2016 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 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. of Votes or to indicate with a tick	
No.	**Ordinary Resolutions**	**For**	**Against**
Ordinary Business			
1.	To receive and adopt the Audited Financial Statements and Directors' Statement of the Company for the financial year ended 31 March 2016 together with the Auditors' Report thereon.		
2.	To approve Directors' fee of $390,000 (2015: $255,000) for the financial year ended 31 March 2016.		
3.	To declare a first and final dividend (one-tier tax exempt) of 3 cents per ordinary share and special dividend (one-tier tax exempt) of 5 cents (one-tier tax exempt) per ordinary share for the financial year ended 31 March 2016 (2015: first and final dividend (one-tier tax exempt) of 1.5 cents per ordinary share).		
4.	To re-elect Ms Valerie Ong Choo Lin as a Director.		
5.	To re-elect Mr Lim Yew Tee Collin as a Director.		
6.	To re-appoint Mr Lim Soo Peng as a Director.		
7.	To re-appoint Dr Chua Sui Leng as a Director.		
8.	To re-elect Dr Wan Soon Bee as a Director.		
9.	To re-appoint Deloitte & Touche LLP as Auditors of the Company and to authorise the Directors to fix their remuneration.		
Special Business			
10.	To authorize Directors to allot and issue shares pursuant to Section 161 of the Companies Act, Chapter 50.		

Dated this ____________________ day of ____________________ 2016.

Total Number of Shares Held

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

IMPORTANT: PLEASE READ NOTES BEFORE COMPLETING THIS PROXY FORM

NOTES:

1. A member of the Company (other than a relevant intermediary as defined in Section 181 of the Companies Act, Cap.50) entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two proxies to attend and vote on his stead. Such proxy need not be a member of the Company.

2. A relevant intermediary as defined in Section 181 of the Companies Act, Chapter 50 may appoint more than two proxies to attend the meeting and vote.

3. Where a member of the Company appoints two proxies, he shall specify the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each such proxy.

4. 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 or 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.

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

6. A corporation which is a member of the Company may authorize by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Annual General Meeting, in accordance with its Articles of Constitution of the Company and Section 179 of the Companies Act, Chapter 50 of Singapore.

7. The instrument appointing proxy or proxies, together with the power of attorney or other authority (if any) under which it is signed, or notarially certified copy thereof, 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 Annual General Meeting.

8. 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 should insert that number of shares. If the member has shares registered in his name in the Register of Members (maintained by or on behalf of the Company), he should insert the number of shares. If the member has shares entered against his 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 of shares is inserted, this form of proxy will be deemed to relate to all the shares held by the member of the Company.

9. 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. In addition, in the case of members of the Company whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have shares entered against their names in the Depository Register 72 hours before the time appointed for holding the Annual General Meeting as certified by The Central Depository (Pte) Limited to the Company.

10. A Depositor shall not be regarded as a member of the Company entitled to attend the Annual General Meeting and to speak and vote thereat unless his name appears on the Depository Register 72 hours before the time set for the Annual General Meeting.

11. Personal data privacy: By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting.

fold here *fold here*

Affix
Postage
Stamp

The Company Secretary

CHEMICAL INDUSTRIES (FAR EAST) LIMITED

3 Jalan Samulun

Singapore 629127