

Company Registration No.: 196200046K

VARIANCES BETWEEN UNAUDITED FULL YEAR FINANCIAL RESULTS ANNOUNCEMENT AND AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 1018

The Board of Directors of Chemical Industries (Far East) Limited (the "Company" and together with its subsidiaries, the "Group") refers to the unaudited full year results announced for the financial year ended 31 March 2018 ("FY2018") made on 22 May 2018.

Pursuant to Rule 704(6), the Board wishes to announce the material variances between the audited financial results and the unaudited full year results of the Group and the Company for FY2018.

Details and clarifications of the differences are set out below in this announcement.

Statement of financial position (for the issuer and group)

	THE G	ROUP		
	Audited	Unaudited	Variance	Notes
	FY2018	FY2018		
	S\$'000	S\$'000	S\$'000	
Revenue	70,855	70,855		
Cost of sales	(56,745)	(56,745)		
Gross Profit	14,110	14,110		
Other income (net)	5,655	6,258	(603)	1
Distribution expenses	(4,928)	(4,928)		
Administrative expenses	(5,064)	(5,164)	100	2
Finance costs	(3)	(3)		
Profit before tax	9,770	10,273	(503)	
Income tax expense	(529)	(615)	86	3
Profit for the year	9,241	9,658	(417)	4
Other comprehensive income (net of tax)				
Items that may be reclassified subsequently to profit or loss				
Available-for-sale investments	186	186		
Total comprehensive income for the year				
attributable to owners of the company	9,427	9,844	(417)	4

Statement of financial position (for the issuer and group)

	THE GROUP		THE COMPANY			
	Audited	Unaudited	Audited	Unaudited		
	31 Mar	31 Mar	31 Mar	31 Mar		
	2018	2018	2018	2018	Notes	
ACCETC	S\$'000	S\$'000	S\$'000	S\$'000		
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	23,273	23,273	20,654	20,654		
Trade and other receivables	10,625	11,228	10,518	11,121	1	
Due from subsidiaries	0	0	4,699	4,699		
Inventories	9,433	9,433	9,595	9,595		
Total current assets	43,331	43,934	45,466	46,069		
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NON-CURRENT ASSETS						
Property, plant and equipment	27,400	27,400	26,645	26,645		
Investment properties	47,800	47,800	0	0		
Subsidiaries	0	0	6,383	6,383		
Available-for-sale investments	906	906	906	906		
Total non-current Assets	76,106	76,106	33,934	33,934		
TOTAL ASSETS	119,437	120,040	79,400	80,003		
LIABILITIES AND EQUITY						
<u></u>						
CURRENT LIABILITIES						
Trade and other payables	3,705	3,805	3,152	3,252	2	
Due to subsidiaries	0	0	186	186		
Current portion of finance leases	10	10	10	10		
Income tax payable	3,532	3,618	3,309	3,395	3	
Total current liabilities	7,247	7,433	6,657	6,843		
NON-CURRENT LIABILITIES						
Finance leases	20	20	20	20		
Deferred tax liabilities	3,549	3,549	3,483	3,483		
Total non-current liabilities	3,569	3,569	3,503	3,503		
CARITAL AND DECERVES						
CAPITAL AND RESERVES	75.045	75.045	75.045	75.045		
Share capital	75,945 1 160	75,945 1 160	75,945 719	75,945 719		
Reserves Accumulated profit (losses)	1,169 31 507	1,169 21 924	718 (7.422)	718 (7.006)	Л	
Total equity	31,507 108,621	31,924 109,038	<u>(7,423)</u> 69,240	(7,006) 69,657	4	
Total Equity	100,021	103,030	05,240	05,037		
TOTAL LIABILITIES AND EQUITY	119,437	120,040	79,400	80,003		

Cash flow statement (for the group)

Operating activities: Profit before tax 9,770 10,273 Notes Adjustments for: 9,770 10,273 Adjustments for: 10,273 Adjustments for: 10,273 Adjustments for: 10,273 Adjustments for: 249 249 249 10,273 Adjustments for: 20,21 10,22 10,22 10,22 10,22 10,22 10,22 10,22 10,22 10,22 10,22 10,22 10,22		THE G		
Profit before tax		Audited FY2018	Unaudited FY2018	Notes
Adjustments for: Write down of inventory to net realisable value Provision for doubtful trade receivables Depreciation of property, plant and equipment Gin from fair value adjustments on investment properties Amortisation of front end fee O O O Foreign exchange differences Dividend income O O O O Foreign exchange differences O O O O O O O Foreign exchange differences O O O O O O O O O O O O O O O O O O O	•			
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Dividend income (22) (22) Gain on disposal of property, plant and equipment (9) (9) Interest expense 3 3 3 Interest income (52) (52) Operating cash flows before movements in working capital 10,874 10,774 Trade and other receivables (1,575) (1,575) Inventories (4,820) (4,820) Trade and other payables (1,615) (1,515) 2 Cash generated from operations 2,864 2,864 Dividends paid (2,278) (2,278) Income tax paid (2,161) (2,161) Interest paid (3) (3) Interest received 52 52 Dividends received 52 52 Dividends received 22 22 Net cash (used in) from operating activities (1,504) Investing activities Proceeds on disposal of plant and equipment 11 1 Purchase of plant and equipment (1,401) (1,401) Additions to available-for-sale investments (12) (12) Net cash used in investing activities Financing activities Repayment of short-term bank loans 0 0 Repayment of boligations under finance leases (88) (88) Net cash used in financing activities (2,994) (2,994) Cash and cash equivalents at the beginning of the year 26,267 26,267			_	
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Inventories	Operating cash flows before movements in working capital	10,874	10,774	
Inventories (4,820) (4,820) Trade and other payables (1,615) (1,515) 2 Cash generated from operations 2,864 2,864 Dividends paid (2,278) (2,278) Income tax paid (2,161) (2,161) Interest paid (3) (3) Interest received 52 52 Dividends received 22 22 Net cash (used in) from operating activities (1,504) (1,504) Investing activities Proceeds on disposal of plant and equipment 11 11 Purchase of plant and equipment (1,401) (1,401) Additions to available-for-sale investments (12) (12) Net cash used in investing activities (1,402) (1,402) Financing activities Repayment of short-term bank loans 0 0 Repayment of long-term bank loans 0 0 Repayment of long-term bank loans 0 0 Repayment of obligations under finance leases (88) (88) Net cash used in financing activities (2,994) (2,994) Cash and cash equivalents at the beginning of the year 26,267 26,267	Trade and other receivables	(1,575)	(1,575)	
Trade and other payables Cash generated from operations 2,864 2,864 Dividends paid (2,278) (2,278) Income tax paid (2,161) (2,161) Interest paid (3) (3) Interest received 52 Dividends received 22 22 Net cash (used in) from operating activities Proceeds on disposal of plant and equipment Purchase of plant and equipment Additions to available-for-sale investments Net cash used in investing activities Financing activities Repayment of short-term bank loans Repayment of obligations under finance leases Net cash used in financing activities Net decrease in cash and cash equivalents (2,994) (2,994) Cash and cash equivalents at the beginning of the year	Inventories			
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Income tax paid (2,161) (2,161) Interest paid (3) (3) Interest received 52 52 Dividends received 22 22 Net cash (used in) from operating activities (1,504) Investing activities Proceeds on disposal of plant and equipment 11 11 Purchase of plant and equipment (1,401) (1,401) Additions to available-for-sale investments (12) (12) Net cash used in investing activities Repayment of short-term bank loans 0 0 Repayment of long-term bank loans 0 0 Repayment of obligations under finance leases (88) (88) Net cash used in financing activities (2,994) (2,994) Cash and cash equivalents at the beginning of the year 26,267 26,267				
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Interest received 52 52 Dividends received 22 22 Net cash (used in) from operating activities (1,504) (1,504) Investing activities Proceeds on disposal of plant and equipment 11 11 Purchase of plant and equipment (1,401) (1,401) Additions to available-for-sale investments (12) (12) Net cash used in investing activities (1,402) (1,402) Financing activities Repayment of short-term bank loans 0 0 Repayment of long-term bank loans 0 0 Repayment of obligations under finance leases (88) (88) Net cash used in financing activities (2,994) (2,994) Cash and cash equivalents at the beginning of the year 26,267 26,267	Income tax paid	(2,161)	(2,161)	
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Net cash (used in) from operating activities(1,504)Investing activitiesProceeds on disposal of plant and equipment1111Purchase of plant and equipment(1,401)(1,401)Additions to available-for-sale investments(12)(12)Net cash used in investing activities(1,402)(1,402)Financing activitiesRepayment of short-term bank loans00Repayment of long-term bank loans00Repayment of obligations under finance leases(88)(88)Net cash used in financing activities(88)(88)Net decrease in cash and cash equivalents(2,994)(2,994)Cash and cash equivalents at the beginning of the year26,26726,267	Interest received	52	52	
Investing activities Proceeds on disposal of plant and equipment 11 11 Purchase of plant and equipment (1,401) (1,401) Additions to available-for-sale investments (12) (12) Net cash used in investing activities (1,402) Financing activities Repayment of short-term bank loans 0 0 Repayment of long-term bank loans 0 0 Repayment of obligations under finance leases (88) (88) Net cash used in financing activities (2,994) (2,994) Cash and cash equivalents at the beginning of the year 26,267 26,267	Dividends received	22	22	
Proceeds on disposal of plant and equipment Purchase of plant and equipment Additions to available-for-sale investments Net cash used in investing activities Financing activities Repayment of short-term bank loans Repayment of long-term bank loans Repayment of obligations under finance leases Net cash used in financing activities Net cash used in financing activities Net decrease in cash and cash equivalents Cash and cash equivalents at the beginning of the year 11 11 11 11 11 11 11 11 11	Net cash (used in) from operating activities	(1,504)	(1,504)	
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Repayment of short-term bank loans Repayment of long-term bank loans Repayment of obligations under finance leases Repayment of obligations under finance leases (88) Ret cash used in financing activities (88) (88) (88) (88) Cash and cash and cash equivalents (2,994) (2,994) (2,994) (2,994)	Financiae estivisiae			
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Net decrease in cash and cash equivalents (2,994) (2,994) Cash and cash equivalents at the beginning of the year 26,267				
Cash and cash equivalents at the beginning of the year 26,267 26,267	Net cash used in financing activities	(88)	(88)	
Cash and cash equivalents at the beginning of the year 26,267 26,267	Net decrease in cash and cash equivalents	(2.994)	(2.994)	
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Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the current financial period reported on

	THE GROUP		THE COMPANY	
	Audited 31 Mar 2018	Unaudited 31 Mar 2018	Audited 31 Mar 2018	Unaudited 31 Mar 2018
Net asset value per ordinary share based on issued share capital of the Company	143 cts	144 cts	91 cts	92 cts

Notes of explanation on material variances

- 1. A provision for doubtful trade receivables of \$\$603,000 for FY2018 was provided arising from deterioration of credit quality of a trade receivable. This information was not available during the announcement of the unaudited results for FY2018 on 22 May 2018. The provision has resulted in the decrease in other income (net) and trade and other receivables.
- 2. Arising from the provision, administrative expenses decreased correspondingly with lower performance related remuneration expenses. This had also led to a decrease in trade and other payables.
- 3. Income tax expenses and payables decreased due to the lower profitability reported as a result of the provision for doubtful trade receivables.
- 4. Profit for the year and equity decreased as a result of the foregoing.

BY ORDER OF THE BOARD

FOO SOON SOO Company Secretary

01 June 2018