



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

Company Registration No. : 196200046K

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**VARIANCES BETWEEN UNAUDITED FULL YEAR FINANCIAL RESULTS ANNOUNCEMENT AND AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018**

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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 GROUP		Variance S\$'000	Notes
	Audited FY2018 S\$'000	Unaudited FY2018 S\$'000		
Revenue	70,855	70,855		
Cost of sales	(56,745)	(56,745)		
<b>Gross Profit</b>	<b>14,110</b>	<b>14,110</b>		
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)		
<b>Profit before tax</b>	<b>9,770</b>	<b>10,273</b>	<b>(503)</b>	
Income tax expense	(529)	(615)	86	3
<b>Profit for the year</b>	<b>9,241</b>	<b>9,658</b>	<b>(417)</b>	4
<b>Other comprehensive income (net of tax)</b> <i>Items that may be reclassified subsequently to profit or loss</i>				
Available-for-sale investments	186	186		
<b>Total comprehensive income for the year attributable to owners of the company</b>	<b>9,427</b>	<b>9,844</b>	<b>(417)</b>	4

**Statement of financial position (for the issuer and group)**

	THE GROUP		THE COMPANY		Notes
	Audited 31 Mar 2018 S\$'000	Unaudited 31 Mar 2018 S\$'000	Audited 31 Mar 2018 S\$'000	Unaudited 31 Mar 2018 S\$'000	
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
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	<u>43,331</u>	<u>43,934</u>	<u>45,466</u>	<u>46,069</u>	
<b>NON-CURRENT ASSETS</b>					
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	<u>76,106</u>	<u>76,106</u>	<u>33,934</u>	<u>33,934</u>	
<b>TOTAL ASSETS</b>	<b><u>119,437</u></b>	<b><u>120,040</u></b>	<b><u>79,400</u></b>	<b><u>80,003</u></b>	
<b><u>LIABILITIES AND EQUITY</u></b>					
<b>CURRENT LIABILITIES</b>					
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	<u>7,247</u>	<u>7,433</u>	<u>6,657</u>	<u>6,843</u>	
<b>NON-CURRENT LIABILITIES</b>					
Finance leases	20	20	20	20	
Deferred tax liabilities	3,549	3,549	3,483	3,483	
Total non-current liabilities	<u>3,569</u>	<u>3,569</u>	<u>3,503</u>	<u>3,503</u>	
<b>CAPITAL AND RESERVES</b>					
Share capital	75,945	75,945	75,945	75,945	
Reserves	1,169	1,169	718	718	
Accumulated profit (losses)	31,507	31,924	(7,423)	(7,006)	4
Total equity	<u>108,621</u>	<u>109,038</u>	<u>69,240</u>	<u>69,657</u>	
<b>TOTAL LIABILITIES AND EQUITY</b>	<b><u>119,437</u></b>	<b><u>120,040</u></b>	<b><u>79,400</u></b>	<b><u>80,003</u></b>	

## Cash flow statement (for the group)

	THE GROUP		Notes
	Audited FY2018 S\$'000	Unaudited FY2018 S\$'000	
<b>Operating activities:</b>			
Profit before tax	9,770	10,273	
Adjustments for:			
Write down of inventory to net realisable value	249	249	
Provision for doubtful trade receivables	603	0	1
Depreciation of property, plant and equipment	6,531	6,531	
Gain from fair value adjustments on investment properties	(6,400)	(6,400)	
Amortisation of front end fee	0	0	
Foreign exchange differences	201	201	
Dividend income	(22)	(22)	
Gain on disposal of property, plant and equipment	(9)	(9)	
Interest expense	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	22	22	
<b>Net cash (used in) from operating activities</b>	<b>(1,504)</b>	<b>(1,504)</b>	
<b>Investing activities</b>			
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)	
<b>Net cash used in investing activities</b>	<b>(1,402)</b>	<b>(1,402)</b>	
<b>Financing activities</b>			
Repayment of short-term bank loans	0	0	
Repayment of long-term bank loans	0	0	
Repayment of obligations under finance leases	(88)	(88)	
<b>Net cash used in financing activities</b>	<b>(88)</b>	<b>(88)</b>	
Net decrease in cash and cash equivalents	(2,994)	(2,994)	
Cash and cash equivalents at the beginning of the year	26,267	26,267	
<b>Cash and cash equivalents at end of the year</b>	<b>23,273</b>	<b>23,273</b>	

**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 S\$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