



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

Company Registration No.: 196200046K

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**UPDATES ON NON-BINDING MEMORANDUMS OF UNDERSTANDING WITH MAY CHEMICAL SDN. BHD. AND TOPAN LLP**

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The Board of Directors of Chemical Industries (Far East) Limited (“CIL” or the “Company”, and together with its subsidiaries, the “Group”) refers to its announcements dated 31 May 2018 and 28 June 2018 relating to its non-binding Memorandums of Understanding (“MOU”) with May Chemical Sdn. Bhd. (“May Chemical”) and Topan LLP (“Topan”) respectively and wishes to provide the following updates:

**Non-binding MOU with May Chemical**

After detailed analysis into legal, tax and accounting issues as well as related operational risks, the Board wishes to update shareholders that CIL and May Chemical had ceased negotiations on the proposed joint venture. Accordingly, CIL and May Chemical will not proceed with the establishment of the proposed joint venture company in Malaysia.

**Non-binding MOU with Topan**

Following the signing of the non-binding MOU with Topan, CIL has been actively exploring various aspects including feasibility studies, sources and costs of supply, financial and human capital for the proposed establishment of a chlor-alkali manufacturing facility in Akatu City, Kazakhstan. As this will be a major commitment if implemented, the Group is still exploring and studying its business viability with prudence.

The Company will provide further updates as appropriate.

**Other Business Opportunities**

The Group remains open and continues to explore other opportunities for product and geographical diversification and will make the appropriate announcements to update shareholders should there be any significant developments.

**BY ORDER OF THE BOARD**

FOO SOON SOO  
Company Secretary

29 May 2019