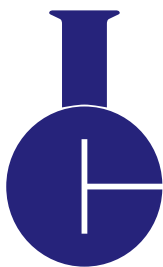




CHEMICAL INDUSTRIES (FAR EAST) LIMITED.
COMPANY REGISTRATION NO. 196200046K

ANNUAL REPORT FOR THE YEAR ENDED 31ST MARCH

2022



CHEMICAL INDUSTRIES (FAR EAST) LIMITED.

REPORT AND FINANCIAL STATEMENTS

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Non-Executive Independent Chairman
Yeo Hock Chye

Non-Executive and Non-Independent Directors
Mr Lim Soo Peng, JP, BBM(L), BBM, PBM
Mr Lim Yew Khang Cecil
Mr Lim Yew Nghee

Non-Executive Independent Directors
Lim Chee San
Dr Tay Kin Bee

AUDIT COMMITTEE

Yeo Hock Chye, Chairman
Lim Chee San
Lim Yew Nghee
Dr Tay Kin Bee

NOMINATING COMMITTEE

Dr Tay Kin Bee, Chairman
Yeo Hock Chye
Lim Chee San
Lim Yew Nghee

REMUNERATION COMMITTEE

Lim Chee San, Chairman
Yeo Hock Chye
Lim Yew Nghee
Dr Tay Kin Bee

COMPANY SECRETARY

Foo Soon Soo (Ms)

SHARE REGISTRARS

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77 Robinson Road,
#06-03 Robinson 77
Singapore 068896
Tel: 65934848
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REGISTERED OFFICE

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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
Chemical Industries (Myanmar) Limited
JPI Investments Pte Ltd

PRINCIPAL BANKERS

DBS Bank Ltd
Malayan Banking Berhad
United Overseas Bank Limited

AUDITORS

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore
Partner-in-charge: Lee Boon Teck
(Appointed with effect from financial year ended
31 March 2018)

CHAIRMAN'S MESSAGE

Dear Shareholders,

On behalf of the Board of Directors, it is my pleasure to present to you the group's results for the financial year ended 31 March 2022 ("FY2022").

One of the most significant developments in this financial year has been the smooth transfer of leadership from our founder Mr. Lim Soo Peng who has served for close to six decades, to a professionally-led management team. Notwithstanding that he has relinquished his executive role, we will continue to benefit from his experience and wisdom as he will continue to serve as a Non-Executive Director. He has also consented to serve as Emeritus Chairman for which we are deeply honoured.

The Board has additionally undergone renewal and we have been able to welcome experienced independent directors whose skills and competencies will help position us to achieve our long-term strategic goals.

These changes mark a new chapter in the history of our company as we continue to transform in order to meet the challenges of a volatile business environment.

Even though we have seen an abatement in the effects of the Covid-19 pandemic, we are now witnessing a confluence of economic uncertainty and geopolitical risks that will impact growth not only in our business but in all other businesses. The effects of the Russian invasion of Ukraine on supply chains and the energy markets continue to unfold, leading to higher rates of inflation. For our business in particular, the availability and the price of energy remain crucial inputs.

Regionally, our operations in Myanmar continue to be constrained by the unprecedented crisis which has reduced GDP growth and raised inflation. The economy remains critically weak and many foreign businesses have withdrawn from the country. We however have an essential role in contributing to the supply of clean drinking water to the local communities and our intention is to stay the course whilst making the best of the situation in a very challenging environment.

We are also critically aware of the need to address the complexities of climate change as well as other environmental and social issues. Carbon taxes in particular, will be incrementally adjusted from the current rate of \$5 per tonne of GHG emissions to between \$50-\$80 per tonne by 2030. Our sustainability pillars continue to focus on the marketplace, the environment, our people, and our communities. In the area of governance, we have commissioned external consultants to enhance our systems for management of risk, and of internal controls. We continue to focus on occupational health and safety as part of our ESG initiatives.

FINANCIAL PERFORMANCE REVIEW

The group derives its revenue from two business segments, namely industrial chemicals and properties as follows:

Industrial chemicals segment

Our Industrial chemicals segment accounts for 99% of our total group revenue. Revenue increased by \$22 million from \$63 million in FY2021 to \$85 million in FY2022, mainly due to an improvement in sales of the group's core chlor-alkali products. Despite the increase in sales, the group reported a lower net profit before tax of \$5.8 million in FY2022 compared to \$6.8 million in FY2021. This was mainly due to higher energy costs arising from an increase in energy rates, as well as an additional impairment loss on property, plant and equipment of \$6.2 million recognised in the books of our Myanmar subsidiary in the current financial year.

Energy costs are expected to remain high in the near future and this is expected to adversely impact the group's future profitability. Counter-measures in progress include embarking on energy reduction and water saving projects.

The operations in Myanmar remain difficult as sales to our major customer remains uncertain. The group also faces currency volatility and local currency control regulations. The group has consequently taken a prudent approach in view of the ongoing uncertainty in Myanmar and has taken full impairment losses on our property, plant and equipment. We are unable to provide our full range of services and our distribution activities continue

to be hampered by limited mobility. There is however sufficient cash flow and we will continue to operate in a steady state.

Properties segment

Revenue from our properties business maintained at about \$1 million in FY2022. The properties segment posted a higher segmental profit of \$2.8 million due to a fair value gain of \$2.3 million in FY2022 compared to a fair value gain of \$1.3 million in FY2021.

OUR LONG-TERM GOALS

We have set for ourselves the vision to be the premier sustainable chemical solutions company in the region. Our long-term strategy will be anchored on three pillars – Growth, Sustainability and Culture.

Growth

We are focussed on growing our core businesses in the areas of manufacturing, trading and logistics, including organising manufacturing activities which align and synergise with prospects in the region as well as to grow our trading activities through M&As.

To move up the profitability spectrum, we intend to explore downstream production as well as collaboration and strategic alliances. We also intend to explore new areas of growth which can complement our core business activities.

Sustainability

We aim to be a responsible business that is committed to being environmentally responsible, maintaining high standards of governance and ethics, developing our talent pool and rigorously planning for our future. We have in place environmental policies with clear goals on how we can contribute to the communities we exist in. The group will not only be an employer of choice but be committed towards developing our people and building talent for the entire industry.

Culture

We have since successfully transitioned from a family-run business into a professionally-led organisation with minimal disruption to employee morale. We will continue to build a culture of excellence and innovation, be a trusted business partner and supplier, and maintain a high degree of accountability to our shareholders.

MOVING FORWARD

Managing the continuing availability and the pricing of energy will continue to be a significant challenge in the years ahead. The cost of electricity will have a significant impact on our cost of production but this is a factor which is beyond our control. We will consequently need to shift our focus to pursue alternative revenue streams to compensate for any reduction in our earnings.

As regards our administrative building and blending plant at Jalan Samulun, we have obtained in-principle agreement from the JTC to extend the lease for another 6 years, expiring in 2031. This will give us much needed breathing space to devote our time, energies and financial resources to transform and grow the business over the next few years which we see as being extremely challenging.

Our office properties have recorded a small fair value gain and although not an immediate priority, we will continue to explore how we can unlock value in the longer term.

The Russian conflict with Ukraine is unlikely to end any time soon and supply chain disruptions will continue to persist, as will high energy prices. Globally, interest rates have risen and the odds of a recession are significant and increasing and a collapse in one region will raise the odds of a collapse in other regions, leading to a synchronised global downturn. We will need to brace ourselves for volatility in a challenging business environment.

To enable us to weather the coming storm, the health of our business remains sound but we will need to plan for all possible outcomes.

DIVIDEND

Notwithstanding another challenging year, the Board of Directors has recommended a final dividend (one-tier tax exempt) of 1.5 cents per ordinary share for this FY2022. This also being the 60th Anniversary of the founding of the company, the Board has considered it appropriate to recommend a special dividend of 1.8 cents in commemoration. The total dividend of 3.3 cents for FY2022 will be subject to shareholders' approval at our upcoming Annual General Meeting to be held on 21 July 2022.

IN APPRECIATION

The group has a long history of success over the past six decades. We can only look ahead because we stand on the shoulders of giants before us. Key to the success we enjoy today is in no small measure due to our founder Mr Lim Soo Peng, who retired as our Managing Director in 2021 after helming the company for 60 years. Mr Lim was a Member of Parliament for Havelock from 1967 to 1970, and appointed as a Justice of Peace in 1966. He also was a Member of the Prisons Board of Visiting Justices and Board of Inspection, and the Drug Rehabilitation Centre Committee. For his public service contributions, he was awarded the Public Service Medal and the Public Service Star in 1997 and 2001 respectively. We express our sincere appreciation to Mr Lim for his many years of service to the group in an executive position. Mr Lim continues to serve on our Board of Directors in a non-executive capacity as well as being Emeritus Chairman.

On behalf of the Board, I would like to express my heartfelt thanks and appreciation to our dedicated employees for their contribution and also to our shareholders, customers, business partners and associates, and all other stakeholders for their continuous and unwavering support, confidence and trust in us. The group will continue to optimize our development strategies and to strive to maximize shareholders' interests.

We look forward to your continued support in the years ahead.

Yours Sincerely,



YEO HOCK CHYE
Independent Non-Executive Chairman

STATEMENT OF CORPORATE GOVERNANCE

The Board of Directors (the “**Board**”) of Chemical Industries (Far East) Limited (the “**company**”) and its subsidiaries (the “**group**”) are committed to achieve high standards of corporate governance. We recognise that good corporate governance enhances accountability and protects the interests of shareholders. This is also consistent with the sustainability pillar of our corporate strategy.

This report sets out the company’s corporate governance practices with reference to the Code of Corporate Governance 2018 (the “**Code**”). The company has complied in all material aspects with the principles and provisions of the Code.

BOARD MATTERS

Principle 1: Board’s Conduct of its Affairs Effective Board to head the company

The Directors of the company are:

Mr Yeo Hock Chye	Non-Executive Independent Chairman
Mr Lim Soo Peng	Non-Executive and Non-Independent Director, Emeritus Chairman
Mr Lim Yew Khang Cecil	Non-Executive and Non-Independent Director
Mr Lim Yew Nghee	Non-Executive and Non-Independent Director
Dr Tay Kin Bee	Non-Executive Independent Director (effective from 28 September 2021)
Lim Chee San	Non-Executive Independent Director (effective from 28 September 2021)

Provision 1.1 Role of the Board

The Directors are fiduciaries who must act objectively in the best interests of the company. The Board has put in place a code of conduct and ethics to set an appropriate tone-from-the-top and desired organisational culture, and ensures proper accountability within the group. Directors facing conflicts of interest recuse themselves from discussions and decisions on those matters.

The principal functions of the Board include, inter alia,

- (a) providing entrepreneurial leadership, setting strategic objectives;
- (b) ensuring necessary resources are in place for the company to meet its strategic objectives;
- (c) monitoring Management’s performance;
- (d) establishing a framework for prudent and effective control for risk management;
- (e) safeguarding shareholders’ interests and the company’s assets;
- (f) setting values and standards (including ethical standards) for the company; and
- (g) ensuring transparency and accountability to key stakeholder groups.

The Board recognises that, to ensure that the business is sustainable, the company has to strike a balance between its business needs and the needs of the society and the environment in which it operates. The Board considers sustainability issues in its strategy formulation. The company has posted its Sustainability Report for FY2021 on SGX-NET on 25 August 2021. The company will post its Sustainability Report for FY2022 by end of August 2022.

Provision 1.2 Directors’ Duties and Responsibilities

The Directors must understand the company’s business as well as their directorship duties (including their roles as executive, non-executive and independent directors). The Directors must comply and ensure the company complies with legislative and regulatory requirements. The Directors have each signed the respective undertakings in the form set out in Appendix 7.7 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) 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 from the Interim Chief Executive Officer (“**Interim CEO**”) and the Group Financial Controller (“**GFC**”) in their capacities as Executive Officers.

The company has in place a process of induction, training and development for both new and existing Directors.

Orientation, Briefings, and training provided for Directors

A new Director appointed to the Board will be briefed by the Chairman on his/her duties and obligations, and on the group's organisation structure, business and governance practices. He/She will also meet up with senior management to familiarize himself/herself, thereby facilitating Board interaction and independent access to senior management. If he/she is a first-time director of a listed company, he/she must undergo training in the roles and responsibilities of a director of a listed issuer as prescribed by the SGX-ST.

Dr Tay Kin Bee and Mr Lim Chee San who were appointed to the Board on 28 September 2021 have undergone the orientation process for newly appointed Directors. Both have prior and current appointments as Independent Directors of public listed companies in Singapore.

The Directors are continually and regularly updated on the group's business and governance practices, including changes in laws and regulations, financial reporting standards and Code of Corporate Governance so as to enable the Directors to effectively discharge their duties.

For FY2022, updates on the group's business and strategic developments were presented by the CEO, updates to changes and developments in accounting standards were presented by the external auditors and regulatory changes to the Listing Rules and Code of Corporate Governance were presented by the Company Secretary.

All Directors are also encouraged to be members of the Singapore Institute of Directors ("SID") and for them to receive journal updates and training from SID. Information on training programs, seminars and workshops organised by various professional bodies and organisations are circulated to the Directors on a regular basis; some of which the Directors have attended or participated during the year.

Provision 1.3

Matters which require Board approval

Matters which require the Board's approval include the following:

- The group's strategic plans
- Results announcements, half-year and full year
- Succession plans for Directors and Senior Management
- Transactions involving a conflict of interest or interested person or related party
- Material acquisitions and disposals
- Corporate or financial restructuring
- Declaration of dividends and other returns to Shareholders
- Appointment and re-appointment of Directors

Provision 1.4

Delegation of Authority to Board committees

Board committees, namely the Nominating Committee ("NC"), the Remuneration Committee ("RC") and the Audit Committee ("AC") have been constituted to assist the Board in the discharge of specific responsibilities without the Board abdicating its 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			
	Chairman of the Board	Executive Director	Non-Executive and Non-Independent Director	Independent Director	AC	NC	RC
Yeo Hock Chye	*	-	-	*	Chairman	Member	Member
Lim Soo Peng	-	-	*	-	-	-	-
Lim Yew Khang Cecil	-	-	*	-	-	-	-
Lim Yew Nghee	-	-	*	-	Member	Member	Member
Dr Tay Kin Bee	-	-	-	*	Member	Chairman	Member
Lim Chee San	-	-	-	*	Member	Member	Chairman

These Board committees function within clearly defined terms of reference approved by the Board. The segments of this report under Principles 4 to 10 detail the activities of the NC, RC and AC respectively.

Provision 1.5

Meetings of Board and Board committees

The following table discloses the number of meetings held for Board and Board committees during the tenure of each Director and the number of meetings attended by him during FY2022.

Name of Director	Board	AC	RC	NC
Yeo Hock Chye ⁽³⁾	9/9	7/7	8/8	9/9
Lim Soo Peng	6/9	-	-	-
Lim Yew Nghee	9/9	5/5	8/8	8/9
Lim Yew Khang Cecil	6/9	-	-	-
Dr Tay Kin Bee ⁽¹⁾	4/4	2/2	5/5	3/3
Lim Chee San ⁽²⁾	4/4	2/2	5/5	3/3
Poon Kai Leon Melvin ⁽³⁾	4/4	2/2	5/5	3/3
Chua Chin Kiat ⁽⁴⁾	5/5	5/5	2/2	6/6
Dr Wan Soon Bee ⁽⁵⁾	2/2	2/3	1/1	1/1
Mr Sng Peng Chye ⁽⁶⁾	0/2	-	0/1	-
Lim Yew Tee Collin ⁽⁷⁾	0/0	-	-	-

⁽¹⁾ Dr Tay Kin Bee was appointed Director, chairman of the NC and member of the AC and RC w.e.f. 28 September 2021.

⁽²⁾ Mr Lim Chee San was appointed Director, chairman of the RC and member of the AC and NC w.e.f. 28 September 2021.

⁽³⁾ Mr Poon Kai Leon Melvin was appointed Director, chairman of the AC and member of the NC and RC w.e.f. 28 September 2021. He resigned on 28 February 2022. Mr Yeo Hock Chye replaced Mr Poon as chairman of the AC w.e.f. 28 February 2022.

⁽⁴⁾ Mr Chua Chin Kiat resigned as Director on 28 September 2021 and ceased as chairman of NC and RC and member of the AC w.e.f. 28 September 2021. Dr Tay Kin Bee replaced him as chairman of the NC w.e.f. 28 September 2021. Mr Lim Chee San replaced him as chairman of the RC w.e.f. 28 September 2021.

⁽⁵⁾ Dr Wan Soon Bee retired in accordance with the Constitution of the Company at the conclusion of the last annual general meeting held on 21 July 2021, and ceased as chairman of the RC and member of the AC and NC w.e.f. 21 July 2021. Mr Chua Chin Kiat replaced Dr Wan as chairman of the RC w.e.f. 21 July 2021 until his resignation on 28 September 2021.

⁽⁶⁾ Mr Sng Peng Chye retired in accordance with the Constitution of the company at the conclusion of the last annual general meeting held on 21 July 2021, and ceased as member of the RC w.e.f. 21 July 2021. Mr Sng has since deceased.

⁽⁷⁾ Mr Lim Yew Tee Collin resigned as Director on 3 May 2021.

The Board is required to meet at least twice a year and as warranted by the business of the company. The Board ensures that Directors with other listed board representations give sufficient time and attention to the affairs of the group.

Provision 1.6

Management providing information to Board

Directors are provided with complete, adequate and timely information prior to Board meetings and on an on-going basis. Such information is circulated at least 7 days in advance of each meeting and it includes financial reports, disclosure documents, explanatory information, key developments and other matters requiring the Board's decision. The Board is kept informed of material events and transactions as and when they occur in a timely manner.

Every Board member has separate and independent access to management. They are entitled to request from management additional information.

Provision 1.7

Board's Access to Management, Company Secretary and External Advisers

Besides Management, the Board has separate and independent access to the Company Secretary at all times. The role of the Company Secretary is clearly defined and 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. The appointment and the removal of the Company Secretary are subject to the Board's approval.

The Board takes independent professional advice as and when necessary, at the company's expense, concerning any aspect of the group's operations or undertakings in order to discharge its responsibilities effectively.

BOARD COMPOSITION AND GUIDANCE

Principle 2: Independence and diversity in the composition of the Board

Provision 2.1 Independent Directors

The Board comprises six directors of whom three are Independent Directors.

The criterion for independence is based on the definition given in the Code and in the Listing Rules of SGX-ST. The Code has defined an “independent” director as one who is independent in conduct, character and judgement and has no relationship with the company, its related corporations, its substantial 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. Under the Listing Rules of SGX-ST, an independent director is not one who is or has been employed by the company or any of its related corporations for the current or any of the past three financial years; or not one who has an immediate family member who is, or has been in any of the past three financial years, employed by the company or any of its related corporations and whose remuneration is determined by the RC.

The NC reviews annually, and as and when circumstances require, if a director is independent based on the provisions of the Code and the Listing Rules of SGX-ST. Each Independent Director is required to complete a declaration form of independence based on the guidelines provided in the Code. The declaration form also requires the Director to make declaration on any relationships or circumstances, including those identified by the Code, that are relevant in the determination of whether a director is independent.

The three Independent Directors have declared themselves to be independent. Having reviewed the declarations of independence by the Independent Directors, the NC is of the view the Independent Directors, namely Mr Yeo Hock Chye, Dr Tay Kin Bee and Mr Lim Chee San have none of the relationships or circumstances as stated in the Code or the Listing Rules of SGX-ST that would otherwise deem them not to be independent. The Board concurs with the NC. Each of the Independent Directors abstained from the deliberations of the NC and the Board on his independence.

Provisions 2.2 and 2.3 Composition of Independent Directors and Non-Executive Directors on the Board

Provision 2.2 is not applicable as the Chairman of the Board is an Independent Director. The Listing Rules of SGX-ST requires the Independent Directors to make up at least one-third of the Board. The Independent Directors comprise half of the Board in compliance with the Listing Rules of SGX-ST.

Under Provision 2.3 of the Code, the Non-Executive Directors should make up a majority of the Board. The Board currently has six members, all of whom are Non-Executive Directors with three being Independent Directors.

Provision 2.4 Board size and diversity

The company has in place a Board Diversity Policy, which endorses the principle that its Board should have a balance of skills, knowledge, experience and diversity of perspectives to ensure effective decision making and governance of the company and its businesses.

The Board comprises Directors with diverse backgrounds who as a group, possesses the core competencies, such as accounting or finance, business or management experience, strategic planning experience, legal expertise and industry knowledge. The NC has reviewed the current composition of the Board and is of the view that the current Board size is adequate in relation to the nature, size and scope of the company’s operations, with a diversity of skills and experience for effective functioning and informed decision-making.

The Board recognises the merits of gender diversity in relation to the composition of the Board. The Board has not set any targets, plans and timeline for achieving gender diversity as the Board does not intend to appoint directors by reason of their gender simply to meet the targets set. The Board Diversity Policy provides for inclusion in the selection and appointment of candidate of both genders that meets the set requirements for a new candidate and has all the qualifications that merit the appointment. The NC will continue to review the board composition to support diversity so as to enhance the Board’s effectiveness.

The profiles of the directors are disclosed in pages 22 to 26 of this Annual Report.

Provision 2.5

Role of Non-Executive Directors

In FY2022, the Non-Executive Directors constructively challenged and helped to develop proposals on investment and business strategies. The performance of the management in meeting the agreed investment and business strategies was also monitored and reviewed by the Non-Executive Directors. The Non-Executive Directors (including the Independent Directors) communicate among themselves without the presence of Management as and when the need arises, and where applicable provide feedback to the Board and the Chairman.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3: Clear division of responsibilities between the leadership of the Board and the management of the company

Provisions 3.1 and 3.2

Chairman and Chief Executive Officer (CEO)

Mr Yeo Hock Chye is the Chairman of the Board. Mr Chng Hee Kok has been appointed the Interim CEO of the company since 1 October 2021. The roles and responsibilities of Chairman and CEO are separate and distinct. Mr Yeo and Mr Chng are not related.

As Chairman of the Board, Mr Yeo's responsibilities include leading the Board to ensure its effectiveness, setting the Board agenda in consultation with the Board members, control of the quality and timeliness of data and information to the Board and promoting high standards of governance and adherence to the Code, Listing Rules and other regulatory requirements.

As Interim CEO, Mr Chng manages and develops the businesses of the group and implements the Board's decisions. He undertakes the executive responsibilities for the group's performance.

Provision 3.3

Lead Independent Director

There is no requirement for the company to appoint a Lead Independent Director as the roles of Chairman and Interim CEO are separate and distinct. The Independent Directors meet amongst themselves without the presence of the Non-Independent Directors where necessary for independent discussions and strive to provide constructive feedback to the Board after their meetings.

BOARD MEMBERSHIP

Principle 4: Formal and transparent process for appointment of Directors

Provisions 4.1 and 4.2

Nominating Committee

The NC comprises four members, all of whom are Non-Executive Directors. Three of the Non-Executive Directors including the chairman are independent and make up the majority of the NC.

Dr Tay Kin Bee	(NC Chairman and Independent Director)
Mr Yeo Hock Chye	(Independent Director)
Mr Lim Chee San	(Independent Director)
Mr Lim Yew Nghee	(Non-Executive and Non-Independent Director)

Dr Tay Kin Bee was appointed as NC Chairman in place of Mr Chua Chin Kiat with effect from 28 September 2021. Mr Lim Chee San was appointed a member of the NC with effect from 28 September 2021.

The role of the NC is to make recommendations to the Board on all Board appointments and re-appointments.

The key responsibilities of the NC are to make recommendations to the Board relating to:

- the appropriate size of the Board and the relevant mix of expertise and experience within the Board;
- the Board's succession plans, in particular for the CEO and key management personnel;

- the development of a process for evaluation of the performance of the Board, the Board committees and Directors;
- the review of training and professional development programmes for the Board and the Directors;
- the appointment and re-appointment of directors; and
- the review of the independence of the Independent Directors.

As part of the selection, appointment and re-appointment process, the NC takes into consideration each Director's competencies, commitment, contribution and performance, including, if applicable, as an Independent Director.

Provision 4.3

Process for the selection, appointment and re-appointment of Directors

The NC reviews the composition of the Board on an annual basis, and as and when circumstances require, to ensure that the Board is of the appropriate size and has the relevant mix of expertise and experience.

When the need for a new Director arises, nominations will be reviewed by the NC who will then forward to the Board for approval and the new Director is appointed by way of a Board resolution.

Dr Tay Kin Bee and Mr Lim Chee San are new Directors appointed by the Board on 28 September 2021. Having reviewed their background and experience, the NC views that they would contribute to the diversity of skills and competencies and recommended their appointment as Independent Directors which were approved by the Board. In accordance with the company's Constitution, they will retire at the forthcoming AGM following their appointment and be eligible for re-election. They have consented to their re-election.

Under the company's Constitution, at least one-third of the Directors (excluding any new Directors appointed during the year) shall retire from office each year by rotation. The retiring directors are eligible for re-election.

In accordance with the Constitution, Mr Yeo Hock Chye and Mr Lim Yew Nghee will retire at the forthcoming AGM by rotation. Mr Yeo and Mr. Lim have consented to stand for re-election.

Mr Yeo Hock Chye, Mr Lim Yew Nghee, Dr Tay Kin Bee and Mr Lim Chee San not only committed their time and contributed to the discussions at Board meetings, they also attended the company's strategic meetings and Directors' sessions relating to the group's business with briefings by Management where applicable. The NC is satisfied that they have committed their time to effectively discharge their responsibilities and duties as directors, and has recommended to the Board their re-election at the forthcoming AGM. The Board has accepted the NC's recommendation. Mr Yeo, Dr Tay, Mr Lim Chee San and Mr Lim Yew Nghee abstained from the NC's and Board's deliberations and decisions on their respective re-elections. In accordance with the Listing Rules of SGX-ST, the information as set out in Appendix 7.4.1 of the Listing Manual in respect of Mr Yeo, Dr Tay, Mr Lim Chee San and Mr Lim Yew Nghee standing for re-election at the forthcoming AGM are provided in this Annual Report.

Provision 4.4

Review of Directors' independence

The NC determines, on an annual basis, and as and when circumstances require, if a director is independent.

For FY2022, the NC has conducted its annual review on the independence of the Independent Directors, using the criteria of independence in the Code and the Listing Rules of SGX-ST and respective Independent Directors' self-declaration. Accordingly, the NC has ascertained that they are independent.

Provision 4.5

Multiple board representations

The NC ensures that new Directors are aware of their duties and obligations. The NC also assesses if a director is able to and has been adequately carrying out his or her duties as a Director of the company, taking into account his/her principal commitments and other directorships in other listed companies.

The NC does not consider it appropriate to set a limit on the number of directorships that a director may hold because the individual circumstances and capacity of each Director are different. The NC respects each Director as a professional and leaves it to his/her personal assessment on the demands of competing directorships and obligations and whether he/she can still serve effectively.

Details of the Directors' principal commitments and outside directorships are set out in the segment on the Board of Directors of this Annual Report.

BOARD PERFORMANCE

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

Provisions 5.1 & 5.2

Board evaluation and performance criteria

In evaluating the Board's performance, the NC implements an annual assessment process that requires each Director to submit an assessment form of the performance of the Board as a whole during the financial year under review. The results of the evaluation exercise are considered by the NC, which then make recommendations to the Board, aimed at assisting the Board to discharge its duties more effectively. The Chairman should, in consultation with the NC, propose, where appropriate, new members to be appointed to the board or seek the resignation of directors.

This assessment process takes into account, inter alia, performance indicators such as governance, leadership and strategy, conduct of meetings, independence, competencies, development and training, control and risk management, and engagement with stakeholders. The Company Secretary compiles the Directors' evaluations into a consolidated report and presents it to the NC and the Board.

In evaluating the performance of the Board committees, the members of the NC, RC and AC submitted the respective assessment forms on the performance of their respective committees. The Board committees are assessed on the work they perform in accordance with their terms of reference and the objectivity and independence in their deliberations and recommendations presented to the Board.

For FY2022, having reviewed the performance of the Board and Board committees, the NC is of the view that the performance of the Board and its committees have been effective. No external facilitator was used in the evaluation process.

Evaluation of Individual director's performance

For the assessment of individual Directors, the NC considers the contribution by each Director towards the effectiveness of the Board and its committees in which he or she is a chairperson or member. The assessment includes, inter alia, attendance and quality of participation at Board and committee meetings, commitment of time, knowledge and abilities, teamwork and overall effectiveness to enable the Board and its committees to make sound and well-considered decisions.

The NC has reviewed each individual director's performance and is of the view that except for Mr Cecil Lim, each individual Director has contributed effectively and has demonstrated commitment to his role. Since October 2021 to the date of this report, Mr Cecil Lim had attended only one out of 7 Board meetings and had not participated in the company's strategic meetings nor Directors' sessions relating to the group's business with briefings by Management where applicable. The NC will be following up with Mr Cecil Lim after the company's AGM on 21 July 2022 to ascertain his availability and commitment to discharge his Board duties.

All NC members have abstained from the review process in connection with the assessment of their individual performance.

The company does not use any external professional facilitators for the assessments of the Board, Board committees and individual Directors, but will consider the use of such facilitators as and when appropriate.

REMUNERATION MATTERS

Principle 6: Formal and transparent procedure for developing policies on director and executive remuneration

Provisions 6.1 & 6.2

Remuneration Committee

The RC comprises four members, all of whom are Non-Executive Directors. Three of the Non-Executive Directors including the chairman are independent and make up the majority of the RC.

Mr Lim Chee San	(RC Chairman and Independent Director)
Mr Yeo Hock Chye	(Independent Director)
Dr Tay Kin Bee	(Independent Director)
Mr Lim Yew Nghee	(Non-Executive and Non-Independent Director)

Mr Lim Chee San was appointed as RC Chairman in place of Mr Chua Chin Kiat with effect from 28 September 2021. Dr Tay Kin Bee was appointment member of the RC with effect from 28 September 2021.

The main responsibilities of the RC are to

- recommend to the Board a framework of remuneration for the Board and key management personnel;
- review specific remuneration packages for each Executive Director and key management personnel;
- review the Directors' Fee framework;
- review the remuneration of employees who are immediate family members of a director or the CEO to ensure that the remuneration of each of such employee is commensurate with his or her duties and responsibilities, and no preferential treatment is given to him or her.

Provision 6.3

Review of remuneration

All aspects of remuneration, including but not limited to directors' fees, salaries, allowances, bonuses, benefits-in-kind and termination payments will be reviewed by the RC. No member of the RC or any director is involved in the deliberations in respect of any remuneration, compensation, options or any form of benefits to be granted to him.

There are no Executive Directors. Each key management personnel has an employment contract with the company which can be terminated by either party giving notice of resignation or termination. The RC has reviewed and concluded that the termination clauses are fair and reasonable.

Provision 6.4

Engagement of remuneration consultants

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. The RC shall ensure that remuneration consultants, if engaged, shall be free from any relationships with the company which might affect their objectivity and independence. The expenses of such professional services shall be borne by the company. For FY2022, the company has engaged an independent human resource consultant to review the competitiveness of the remuneration packages for the key management personnel and to make recommendations thereon. The company has also engaged an independent human resource consultant to review the reasonableness of the compensation to the former Managing Director for his past 6 decades of dedicated service to the company.

LEVEL AND MIX OF REMUNERATION

Principle 7: Level and mix of Remuneration

Provision 7.1

Remuneration of Executive Directors and key management personnel

Currently, there are no Executive Directors. The company had 3 Executive Directors being Mr Lim Soo Peng (also the former Managing Director), Mr Cecil Lim and Mr Collin Lim who were the family members. Mr Collin Lim resigned on 3 May 2021. During the transition from a family run company to a professionally managed company, Mr Cecil Lim and Mr Lim Soo Peng were redesignated as Non-Executive Directors. The company currently has an Interim CEO to run the affairs of the company under the supervision of the Board.

A significant and appropriate proportion of the key management personnel's remuneration is structured such that rewards are linked to corporate and individual performance. Such performance-related remuneration is aligned with the interests of shareholders and promotes the long-term success of the company.

The company has no employee share incentive scheme or other long-term incentives. In this regard, the RC has reviewed and is satisfied that the existing compensation structure with variable component paid out in cash has continued to be effective in incentivising performance without being excessive.

The RC has reviewed the recommendations of the Code on the use of contractual provisions to allow the company to reclaim incentive components of remuneration from the key management personnel, in exceptional circumstances, and considers it unnecessary in the current context.

There are no contractual provisions in the employment contracts of key management personnel for the company to reclaim incentive components of remuneration.

Provision 7.2

Remuneration of Non-Executive Directors

All the Non-Executive Directors have no service contract with the company and are compensated based on a fixed annual fee taking into account factors such as responsibilities, efforts and time spent.

The RC considers that the current fixed fee structure adequately compensates the Non-Executive Directors given the size and operations of the company, without implementation of share schemes. The RC will consider recommending such schemes if appropriate.

Provision 7.3

Remuneration Framework

The remuneration framework for the Executive Directors, Interim CEO and key management personnel is aligned with the sustainable performance of the group and the interests of shareholders and is appropriate to attract, retain and motivate them for the long-term success of the group.

DISCLOSURE ON REMUNERATION

Principle 8:

Disclosure of Remuneration

Provision 8.1

Remuneration of Directors and key management personnel for FY2022

	Salary \$'000	Bonus \$'000	Provident Fund \$'000	Directors' Fee ⁽¹⁾ \$'000	Total \$'000
Directors					
\$500,001 to \$750,000					
Lim Soo Peng	513	114	4	75	706
\$250,001 to \$500,000					
Lim Yew Khang Cecil	258	18	3	56	335
Below \$250,000					
Lim Yew Tee Collin	33	-	2	5	40
Yeo Hock Chye	-	-	-	141	141
Lim Yew Nghee	-	-	-	71	71
Chua Chin Kiat ⁽²⁾	-	-	-	43	43
Sng Peng Chye ⁽³⁾	-	-	-	15	15
Dr Wan Soon Bee ⁽⁴⁾	-	-	-	17	17
Melvin Poon Kai Leon ⁽⁵⁾	-	-	-	28	28
Lim Chee San	-	-	-	34	34
Dr Tay Kin Bee	-	-	-	34	34
Interim Chief Executive Officer					
Chng Hee Kok	204	-	3	-	207
Total	1,008	132	12	519	1,671

⁽¹⁾ All Directors receive Directors' fees for attending to Board matters. The Chairman of the Board receives double the fee paid to other Directors and Board committees' chairmen receive a small additional fee. Directors' fees are subject to shareholders approval at the Annual General Meeting.

⁽²⁾ Mr Chua Chin Kiat retired as Director on 28 September 2021.

⁽³⁾ Mr Sng Peng Chye retired as Director on 21 July 2021.

⁽⁴⁾ Dr Wan Soon Bee retired as Director on 21 July 2021.

⁽⁵⁾ Mr Poon Kai Leon retired as Director on 28 February 2022.

Top 1 management personnel (who are not Directors or the CEO) for FY2022

	Salary	Bonus	Provident Fund	Total
\$250,000 and below				
Executive 1	83%	9%	8%	100%

For FY2022, the company has only one key management personnel (who is not a director or the Interim CEO). The name of the sole key management personnel is shown on a "no name" basis so as to avoid a situation where the information might be exploited by competitors. The company has many competitors in the same industry. Given that the company has invested in staff development and retention, the disclosure of full details of each key

management personnel with no similar disclosure by the company's competitors would facilitate competitors to poach its management staff and impedes its ability to retain and develop its staff to the detriment of its business.

The Board is of the view that the information on the level and mix of remuneration in percentage terms within bands of \$250,000 provide a balance between the interests of the company and information to shareholders and is consistent with the intent of Principle 8 of the Code.

The disclosure of total remuneration of up to top 5 key management personnel as required under Provision 8.1 of the Code would not be applicable in the context of one key management personnel and would not be consistent with the permitted disclosure of the remuneration of the sole key management personnel in bands of \$250,000.

Provision 8.2

Remuneration of employees who are substantial shareholders or immediate family members of a Director, the CEO or a substantial shareholder

There is no other employee who is an immediate family member of a substantial shareholder, director or the Interim CEO and whose remuneration exceeds \$100,000.

Provision 8.3

Employee Share Option Scheme

The company does not have a share option scheme or other share incentive schemes for its employees. The RC has reviewed and is satisfied that the existing compensation structure with variable component paid out in cash continues to be effective in incentivising performance without being excessive.

ACCOUNTABILITY AND AUDIT

Principle 9: Accountability of the Board and Management

Provision 9.1

Risk Management and Internal Control Systems

The Board is responsible for the governance of risk, including determining the nature and extent of the significant risks which the company is willing to take. The Board ensures that the group's risk management framework and policies are in place. The AC is tasked with the responsibility to ensure that the Management maintains a sound system of risk management and internal controls. Having considered the group's business operations as well as its existing internal control and risk management systems, the Board is of the view that a separate risk committee is not required for the time being.

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. 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 reviews the audit plans and the findings of the external auditors annually and takes steps to ensure that the company follows up on the recommendations raised by the external auditors, if any, during the audit process.

The Board reviews the effectiveness of the key internal controls with the AC annually and on an on-going basis and provides its perspective on management controls and ensures that the necessary corrective and preventive actions are taken on a timely basis.

For FY2022, the Board has reviewed with the AC the following significant risk factors relevant to the group's operations:

- Interest rate risk
- Equity price risk
- Credit risk
- Liquidity risk
- Capital risk

The above risks and the management of these risks are set out on pages 56 to 59 of this annual report.

Provision 9.2

Assurances to the Board

For FY2022, the Board has received letters of assurance from the Interim CEO 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, and regarding the adequacy and effectiveness of the company's risk management and internal control systems.

Board's Comment on Adequacy and Effectiveness of Internal Controls

Based on the internal controls established and maintained by the group, and work performed by the external auditors and internal auditors (collectively, "**auditors**"), discussions with them, including Management's responses to the auditors' recommendations for improvements to the group's internal controls, if any, and assurances from the Interim CEO and the Group Financial Controller, the Board is of the opinion that the group's risk management and internal control systems are adequate and effective to address the financial, operational, compliance and information technology controls for FY2022. The AC concurs with the Board's opinion based on their reviews of audit findings on internal controls and risks with the auditors.

The Board notes that the internal controls and risk management systems provide reasonable, but not absolute assurance that the group will not be affected by any event that could be reasonably foreseen as it strives to achieve its business objectives. In this regard, the Board also notes that no system can provide absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, fraud or other irregularities.

AUDIT COMMITTEE

Principle 10: Audit Committee

Provisions 10.1 and 10.2

AC membership and responsibilities

Audit Committee

The AC comprises four members, all of whom are Non-Executive Directors. Three of the Non-Executive Directors including the chairman are independent and make up the majority of the AC.

Mr Yeo Hock Chye (AC Chairman and Independent Director)
Dr Tay Kin Bee (Independent Director)
Mr Lim Chee San (Independent Director)
Mr Lim Yew Nghee (Non-Executive and Non-Independent Director)

Mr Yeo Hock Chye replaced Mr Melvin Poon Kai Leong as AC Chairman with effect from 28 February 2022. Dr Tay Kin Bee and Mr Lim Chee San were appointed members with effect from 28 September 2021.

All AC members have recent and relevant accounting or related financial management expertise or experience to discharge their responsibilities effectively.

The Chairman of the AC, Mr Yeo Hock Chye has considerable years of experience in the financial services industry, banking and risk consultancy. Mr Lim Chee San holds a Bachelor of Law Degree (Honours) from the University of London and is a practicing lawyer. He is a Fellow of the Association of Chartered Certified Accountants, UK and a member of the Chartered Accountants, Singapore. He has extensive accounting and legal experience.

The other AC members, Dr Tay Kin Bee and Mr Lim Yew Nghee have considerable experience in business and finance.

All the AC members at least annually receive a briefing from the external auditors on updates to accounting issues which have a direct impact on financial statements and developments in accounting standards, and circulation of such updates from the auditors as and when applicable, to ensure their accounting education and knowledge stay recent and relevant to perform their functions. The Board is of the view that the members

of the AC have sufficient accounting and financial management expertise and experience to discharge the AC's functions.

The qualifications and experience of the AC members are found on profiles of the Directors in pages 23 to 26 of this Annual Report.

Roles, responsibilities and authorities of AC

The AC assists the Board in fulfilling its fiduciary responsibilities. The main responsibilities of the AC include:

- reviewing significant financial reporting issues and judgements to ensure the integrity of the financial statements and any announcements relating to financial performance;
- reviewing and evaluating with internal auditors, the adequacy and effectiveness of internal controls, including financial, operational, compliance and information technology controls and risk management systems;
- reviewing the scope and effectiveness of internal audit;
- reviewing the assurances from the Interim CEO and the Group Financial Controller on the financial records and financial statements and the assurances from the Interim CEO and the management personnel responsible, on the adequacy and effectiveness of internal controls and risk management systems;
- reviewing the scope and results of the external audit, including management's response to the auditors' recommendations for improvements to the group's internal controls, if any;
- reviewing the independence and objectivity of the external auditors;
- making recommendations on the appointment, re-appointment and removal of external auditors;
- reviewing interested persons transactions; if any to ensure compliance with the Listing Manual;
- reviewing whistle blowing reports and investigations if any, and ensure appropriate follow up action, if required.

The AC has full authority to investigate any matters within its terms of reference, full access to and co-operation by management and full discretion to invite any Director or management to attend its meetings and has been given reasonable resources to enable it to discharge its functions.

Review objectivity and independence of external auditors

The external auditors, Deloitte & Touche LLP is registered with the Accounting and Corporate Regulatory Authority. They are also the external auditors of all the company's subsidiaries as well as its associate companies. The company confirmed its compliance with Rules 712 and 715 of the Listing Manual.

The aggregate fees paid to the group's external auditor, Deloitte & Touche LLP, for FY2022 were \$120,500, of which the audit fee amounted to \$89,500 and non-audit fees amounted to \$31,000 or 35% of total audit fees. The AC has reviewed the amount, nature and extent of such non-audit services rendered to the group by Deloitte & Touche LLP and concluded that it will not prejudice the independence and objectivity of the external auditors.

Accordingly, the AC has recommended Deloitte & Touche LLP for re-appointment as external auditors of the company at the forthcoming annual general meeting of the company.

Whistle-blowing policy

The company has in place a whistle-blowing policy that provides staff of the group direct access to the CEO and/or AC Chairman to raise concerns about possible improprieties in matters of financial reporting or other matters.

The AC Chairman is responsible for the oversight and monitoring of any whistle-blowing matters.

All information received will be treated confidentially and the identities and the interests of the whistle-blowers will be protected, so as to enable staff to voice their concerns without any fear of reprisal, retaliation, discrimination or harassment of any kind.

The employees are free to bring complaints to the attention of their supervisors and department heads, the human resources manager, or any of the senior management. They can choose to send the complaint directly to the CEO or AC Chairman.

All whistleblower complaints will be investigated independently by the AC and the findings will be reported to the Board. When necessary, external advisors such as lawyers and forensic accountants may be engaged to assist with such investigation.

The company will not tolerate the harassment or victimisation of anyone reporting a genuine concern. If a whistleblower believes that he or she is being subjected to discrimination, retaliation or harassment for having made a report under this policy, he or she should immediately report those facts to the CEO or to the Audit Committee Chairman, if the CEO is the subject of the Reportable matter.

Provision 10.3

Restriction on AC membership

None of the AC members is a former partner of the company's existing external auditors, Deloitte & Touche LLP and none of the AC members holds any financial interest in the external audit firm.

Provision 10.4

Internal audit function

The company's internal auditors, Crowe Horwath First Trust Risk Advisory Pte Ltd is a member of the Institute of Internal Auditors Singapore, and is staffed with professionals with relevant qualifications and experience. The internal auditors carry out its functions according to the standards of the Professional Practice of Internal Auditing set out by The Institute of Internal Auditors, and plans its internal audit schedule in consultation with, but independent of, Management. Its internal audit plan is submitted to the AC for approval at the beginning of each internal audit cycle. The internal auditors report directly to the Chairman of the AC on all internal audit matters, and have full access to the company's documents, records, properties and personnel of the group, including access to AC.

The primary functions of internal audit are to: -

- (a) assess if adequate systems of internal controls are in place to protect the assets of the group and to ensure whether control procedures are complied with;
- (b) assess if operations of the business processes under review are conducted efficiently and effectively; and
- (c) identify and recommend improvements to internal control procedures, where required.

The internal auditors completed its internal audit review for the group in FY2022 in accordance with the internal audit plan approved by the AC. The internal auditors had unfettered access to the relevant documents, records, properties and personnel of the group. The findings and recommendations of the internal auditors, the management's responses, and the management's implementation of the recommendations have been reviewed and approved by the AC. The AC is of the view that the internal audit function is independent, effective and adequately resourced.

Provision 10.5

Meeting with internal and external auditors without presence of management

In FY2022, the AC met with the external auditor and the internal auditor without the presence of management.

The AC had discussed the key audit matters identified by the external auditor for FY2022. The AC having reviewed the approach and methodology used, concurred with the basis and conclusions included in the auditor's report with respect to the key audit matters for FY2022.

Please refer to the Independent Auditor's Report on pages 34 to 37 of this annual report on the key audit matters.

SHAREHOLDER RIGHTS AND ENGAGEMENT

Principle 11: Shareholders to be treated fairly and equitably

Provision 11.1

Shareholders' participation and vote at general meetings

Every shareholder has the right to receive notices of general meetings and to vote thereat. Notice of a general meeting is sent out at least 14 days before the meeting so that sufficient notice is given to shareholders to attend the meeting or appoint proxies to attend and vote in their stead.

All resolutions at general meetings are required to be voted by poll under the Listing Rules of the SGX-ST. At each general meeting, shareholders will be briefed by the company on the poll voting procedures at general meetings. Detailed results showing the number of votes cast for and against each resolution and the respective percentages will be announced during the general meetings and subsequent announcement made through SGXNET.

Due to the continuing COVID-19 situation, the forthcoming AGM would be held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Shareholders will not be able attend the meeting in person and alternative arrangements will be made for them to attend virtually via live audio-visual webcast or live audio only stream. Shareholders will be allowed to vote by submitting proxy forms appointing the Chairman of the meeting as their proxy. Shareholders will be requested to submit their questions ahead of the meeting. Questions raised by the shareholders will be addressed ahead of the meeting and published on the company's corporate website and on SGXNET.

Following guidance from Singapore Exchange Regulation issued on 23 May 2022 relating to annual general meetings for financial years ending on or after 30 June 2022, the company will look into live engagement and voting at its AGM in 2023.

Provision 11.2

Separate resolutions at general meetings

The company will have separate resolutions at general meetings on each distinct issue.

Provision 11.3

Attendance of Directors and auditors at general meetings

The Directors, in particular, the Chairman of the Board and the respective Board committee chairmen are present at general meetings to answer shareholders' queries. The external auditors are also present at the annual general meeting to answer shareholders' queries about the conduct of the audit and the preparation and content of the auditors' report.

The company held one general meeting on 21 July 2021 in respect of FY2021 attended by the Board. The chairmen of the respective Board committees and the external auditors were present.

Provision 11.4

Absentia voting

The company's constitution allows the appointment of proxies for a shareholder who is absent from a general meeting to exercise his vote in absence through his proxy or proxies.

The company's constitution allows the appointment of up to 2 proxies for a member, who is a not a relevant intermediary as defined in Section 181 of the Companies Act, Chapter 50. The Companies Act allows relevant intermediaries such as the CPF agent bank 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.

Provision 11.5**Minutes of general meetings**

The company prepares minutes of general meetings detailing the proceedings and questions raised by shareholders and answers given by the Board and Management. Minutes will be taken and published in the Company's corporate website at www.cil.com.sg.

Provision 11.6**Dividend Policy**

The company has not formalised a dividend policy, however, it has consistently been paying dividends since FY2006. The Board takes into consideration the group's operating performance, cash position and planned capital expenditures in its recommendation for dividends.

For FY2022, the Board has recommended a final one-tier tax exempt dividend of 1.5 cents per share and a special dividend of 1.8 cents per share subject to shareholders' approval at the annual general meeting on 21 July 2022. The special dividend is to commemorate the company's 60th Anniversary.

ENGAGEMENT WITH SHAREHOLDERS**Principle 12: Regular communication with shareholders****Provision 12.1****Avenues for communication between the Board and shareholders**

The Board ensures that shareholders are informed of changes in the company or its business in a timely manner through:

- (a) SGXNET announcements and news releases;
- (b) Annual Report;
- (c) Notices of and explanatory memoranda for annual general meetings and extraordinary general meetings.

The company's general meetings are the principal forum for dialogue with shareholders, to gather their views or inputs, and address their concerns, if any. The company will consider the use of other forums as and when applicable.

Provisions 12.2 and 12.3 Investor relations policy

The company's investor relations policy is to communicate with its shareholders and the investment community through the timely and equal dissemination of information and news via announcements to the SGX-ST via SGXNET. In accordance with the Listing Rules of the SGX-ST, information that affects the group is disclosed in a timely manner through SGXNET and the company does not practise selective disclosure.

The company strives to reach out to shareholders and investors via its online investor relations site within its corporate website at www.cil.com.sg where it updates shareholders and investors on the latest news and business developments of the group. Shareholders and investors are also provided with an investor relations contact at investorrelations@cil.com.sg which they can send their queries and the company will respond.

ENGAGEMENT WITH STAKEHOLDERS

Principle 13: Balance the needs and interests of material stakeholders

Provisions 13.1 and 13.2

Engage with its material stakeholder groups

The group's material stakeholders are its shareholders, customers, suppliers, regulators and employees. The company's focus is on the supply of its products to customers in a safe, sustainable and efficient manner.

The company engages with the stakeholders through its sustainability initiatives as set out in its Sustainability Report for FY2021 posted on SGXNET on 25 August 2021. The company will post its sustainability report for FY2022 by end of August 2022.

Provision 13.3

Corporate website to communicate and engage with stakeholders.

The company maintains a corporate website at www.cil.com.sg which shareholders and other stakeholders can access information on the group. The website provides, inter alia, corporate announcements and profiles of the group. Shareholders and stakeholders are provided with an investor relations contact at investorrelations@cil.com.sg to contact the company.

DEALINGS IN SECURITIES

The company wishes to confirm that it has in place a policy prohibiting dealings in the company's securities by the company and its Directors and employees of the group:

- (a) one month before the announcement of its half year and full year unaudited financial statements ("**non-dealing period**");
- (b) on short term considerations; and
- (c) when in possession of unpublished price-sensitive or trade-sensitive information.

Two weeks before each non-dealing period, the Company Secretary will notify the Directors and CEO of the company's share trading prohibition policy and the management of the Company will also ensure that employees of the group are duly informed of the same.

The company confirms it has complied with the best practice pursuant to Listing Rule 1207(19)(c) in not dealing in its securities during the restricted trading periods.

INTERESTED PERSON TRANSACTIONS

The group has adopted an internal policy in respect of any transactions with interested persons and requires all such transactions to be at arm's length and reviewed by AC. The details of the interested person transaction conducted during FY2022 is disclosed as follows:

Interested person	Nature of relationship	Type of transactions	Aggregate Value of all Transactions (excluding transactions less than \$100,000)*
Lim Soo Peng	Director and controlling shareholder	Retirement gratuity	2,000,000

* The company does not have a general mandate for shareholders for recurring interested person transactions.

NO MATERIAL CONTRACTS

There were no material contracts entered into by the company or any of its subsidiaries involving the interests of the Interim CEO, Director or substantial shareholder.

BOARD OF DIRECTORS

LIM SOO PENG, JP, BBM(L), BBM, PBM

Non-Executive and Non-Independent Director

Mr Lim Soo Peng founded the Company in response to the Singapore Government's invitation transition from an owner of a leading commodities trading house to a manufacturer of essential chemicals to support Singapore's nascent industrialisation programme in the sixties.

Mr. Lim Soo Peng was appointed to the Board since its inception on 16 March 1962. He was the Chairman and Managing Director up to 13 August 2020. He was instrumental in conceiving and effecting the succession and corporate transformation strategy of the Company to a professionally managed company whereupon he relinquished his various executive roles for the rejuvenation of the Board in line with the strategy, first as Executive Chairman, then as Managing Director and as Executive Director.

16 March 1962 to 13 August 2020	- Chairman and Managing Director
14 August 2020 to 30 September 2021	- Managing Director and Executive Director
1 October 2021 to 31 December 2021	- Executive Director
W.e.f 1 January 2022 to 28 July 2022	- Non-Executive Director
W.e.f 28 July 2022	- Emeritus Chairman and Non-Executive Director

Mr Lim is a Justice of Peace since his appointment in 1966 and a former Member of Parliament in Singapore's 1st Parliament from 8 December 1965 to 8 February 1968 and 2nd Parliament from 6 May 1968 to 16 August 1972.

For over four decades, he served on a number of Government Committees and Statutory Boards. For his public service contributions, he received the following awards:

1977	The Public Service Medal
2001	The Public Service Star
2014	The Public Service Star (Bar)

In 2015, the Singapore Chinese Chamber of Commerce & Industry conferred on him the SG50 outstanding Chinese Business Pioneers Award.

Date of first appointment as a Director:

16 March 1962

Present Directorship other than the Company (SGX Listed Company)

Nil

Date of last re-election as a Director:

21 July 2021

Principal Commitments:

Director of:

- S.P. Lim & Company Pte Ltd
- Eastern Rubber Company (Malaya) Pte Ltd

LIM YEW KHANG CECIL

Non-Executive and Non-Independent Director

Mr. Lim Yew Khang Cecil was appointed to the Board on 15 September 2016. He was re-designated from Executive Director to Non-Executive and Non-Independent Director on 28 September 2021.

He joined the group in 1980 and held various positions involving various aspects including investment, finance, commercial, operations and serving as an Executive Director on the Board of Directors from 1992 to 2006. Prior to joining the group, he worked in the financial investment arena.

Mr. Cecil Lim graduated with a Bachelor of Arts (Honours) degree in Social Science from the University of Singapore and obtained a Master of Science in Business Studies from the London Business School.

Date of first appointment as a Director:

15 September 2016

**Present Directorship other than the Company
(SGX Listed Company)**

Nil

Date of last re-election as a Director:

14 August 2020

Principal Commitments:

Academic & Professional Qualifications:

- Bachelor of Arts (Honours) in Social Science, University of Singapore
- Master of Science in Business Studies, London Business School

- Auston Institute of Management Pte Ltd

YEO HOCK CHYE

Independent Chairman

Mr. Yeo Hock Chye was appointed to the Board on 1 July 2019 and subsequently appointed as Independent Chairman with effect from 14th August 2020.

He has more than 50 years of experience in the financial services industry, of which he has served in senior positions in a global bank in Singapore, and in regional banks in Thailand and Laos. He has also provided consulting for listed entities and SMEs in Singapore and Vietnam, for banks and other financial institutions including micro-finance and leasing companies in Thailand, Laos and Cambodia, and for a listed poultry company in Thailand.

Mr. Yeo graduated with a Bachelor of Arts (Hons) degree, from the University of Singapore. He is a Qualified Listed Entity Director and holds an Executive Diploma in Directorship from SMU-SID.

Date of first appointment as a Director:

1 July 2019

Board committee Membership

- Chairman of Audit Committee
- Member of Nominating and Remuneration Committees

Date of last re-election as a Director:

14 August 2020

**Present Directorship other than the Company
(SGX Listed Company)**

Academic & Professional Qualifications:

Nil

- Bachelor of Arts (Honours), University of Singapore
- Executive Diploma in Directorship – SMU-SID

Principal Commitments:

Nil

LIM CHEE SAN

Non-Executive Independent Director

Mr Lim Chee San was appointed to the Board on 28 September 2021.

He is currently practising law, as a partner in his law firm, mainly in the area of civil litigation and corporate advisory work. He has been an accountant, a banker and a lawyer at different times during the last 39 years. Before he started his current law practice, he was the Head of Banking Operations in a large regional bank. He also has many years of experience as an auditor in large international accounting firms. He is a barrister-at-law, a chartered certified accountant, and a chartered information technology practitioner. He was among the top candidates in his accountancy and law examinations.

Date of first appointment as a Director:

28 September 2021

Date of last re-election as a Director:

Nil

Academic & Professional Qualifications:

- Fellow of the Association of Chartered Certified Accountants
- Chartered Accountant, Singapore
- Barrister-at-Law
- Bachelor of Law (Hons)
- Chartered Information Technology Professional

Board committee Membership

- Chairman of Remuneration Committee
- Member of Audit and Nominating Committees

Present Directorship other than the Company (SGX Listed Company)

- Gallant Venture Ltd
- Colex Holdings Limited
- Singapore Kitchen Equipment Limited
- Blackgold Natural Resources Limited

Principal Commitments:

- Partner of Tanlim Partnership

DR. TAY KIN BEE

Non-Executive Independent Director

Dr. Tay Kin Bee was appointed to the Board on 28 September 2021.

He is currently the Executive Director of Riverside Asia Partners Pte Ltd, a U.S. private equity asset management company in Singapore. Dr. Tay is currently serving as Chairman of the Remunerating Committee and Member of the Audit Committee in Megachem Ltd. Dr. Tay has previously served as Managing Director and Chief Executive Officer of a European owned specialty chemical distribution company based in Malaysia, and later on in Singapore. He has worked in the chemical industry for more than 20 years, with majority of the time in senior management roles. He has extensive experience and knowledge of the chemical distribution business in the Southeast Asian countries. He has also authored a number of publications in international journals on chemical distribution, enterprise risk management, and mergers & acquisitions in the chemical industry.

Dr. Tay has also previously served in these organizations:

Chairman of Singapore Chemical Industry Council (SCIC)

Deputy Chairman of the Chemical Standards Committee (Singapore Standards Council)

Governing Board Member of the Workplace, Safety and Health Institute

Taskforce Chairman for Globally Harmonized System (GHS) of Classification and Labelling of Chemicals, Singapore.

Date of first appointment as a Director:

28 September 2021

Board committee Membership

Chairman of Nominating Committee

Member of Audit & Remuneration Committee

Date of last re-election as a Director:

Nil

Present Directorship other than the Company (SGX Listed Company)

Megachem Ltd

Academic & Professional Qualifications:

- Bachelor's Degree in Mech Eng. (1st Class Hons)
- Master's Degree in Accounting & Finance
- Doctor in Business Administration degree
- SMU-SID Executive Diploma in Directorship

Principal Commitments:

- Executive Director of Riverside Asia Partners Pte Ltd

LIM YEW NGHEE

Non-Executive and Non-Independent Director

Mr. Lim Yew Nghee was appointed to the Board on 27 December 2019.

He is currently Principal at Taxise Asia LLC and Asia Chief Operating Officer for WTS Global, a leading international tax network with operations in over 100 countries. In his over 20-year career, Mr. Lim has advised some of the largest U.S., European and Asian multinationals and Singapore headquartered conglomerates with significant investments in Asia and globally on their strategic and complex value chain structures.

He currently serves as the Co-Chairman of the Tax & Trust Committee of the Law Society of Singapore and is a Board member of the Tax Academy of Singapore. He was previously head of Baker McKenzie's Tax, Trade and Wealth Management practice in Singapore and also Chair of Baker McKenzie's Asia Pacific Trade & Commerce and Indirect Tax Practices.

Mr. Lim is recognised for his excellence in tax and trade law in various legal and tax directories such as International Tax Review, Chambers & Partners, Legal 500 and AsiaLaw Profiles. He was also awarded International Trade Lawyer of the Year (2021) by the Asian Lawyer.

Date of first appointment as a Director:

27 December 2019

Date of last re-election as a Director:

14 August 2020

Academic & Professional Qualifications:

- Bachelor of Law (Honours), University of Singapore
- Master of Law, International and Comparative Law, McGill University

Board committee memberships

Member of Nominating, Audit & Remuneration Committee

Present Directorship other than the Company (SGX Listed Company):

Nil

Principal Commitments:

- Managing Director of Taxise Asia LLC

**ADDITIONAL INFORMATION ON DIRECTOR SEEKING RE-ELECTION
PURSUANT TO APPENDIX 7.4.1 LISTING MANUAL OF THE SGX-ST**

	Lim Chee San	Dr Tay Kin Bee
First appointed	28 September 2021	28 September 2021
Date of last re-appointment	Not applicable	Not applicable
Age	62	67
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	Please refer to the Corporate Governance section in the Company's 2022 Annual Report	Please refer to the Corporate Governance section in the Company's 2022 Annual Report
Whether appointment is executive, if so, the area of responsibility	Non-Executive	Non-Executive
Job Title	Independent Director, Remuneration Committee Chairman and member of the Nominating and Audit Committees	Independent Director, Nominating Committee Chairman and member of the Remuneration and Audit Committees
Professional qualifications	• Fellow of the Association of Chartered Certified Accountants • Chartered Accountant, Singapore • Barrister-at-Law • Bachelor of Law (Hons) • Chartered Information Technology Professional	• B.Sc. Mech Eng. (1st Class Hons) • Master's Degree in Accounting & Finance • Doctor of Business Administration degree • SMU-SID Executive Diploma in Directorship
Working experience and occupation(s) during the past 10 years	Please refer to the Board of Directors section in the Company's 2022 Annual Report	Please refer to the Board of Directors section in the Company's 2022 Annual Report
Shareholding interest in the listed issuer and its subsidiaries	None	None
Any relationship (including immediate family relationships) with any existing director, existing executive office, the issuer and/or substantial shareholder of the listed issuer or of any of its principle subsidiaries	None	None
Conflict of interests (including any competing business)	None	None
Undertaking submitted to the listed issuer in the form of Appendix 7.7 (Listing Rule 704(7))	Yes	Yes
Other Principal Commitments including Directorship - Past	Director of: Hupsteel Limited Soon Lian Holdings Limited Fujiyama Pte Ltd	• Chairman of Singapore Chemical Industry Council • Governing Board Member of the Workplace, Safety and Health Institute • Taskforce Chairman for Globally Harmonized System of Classification and Labelling of Chemicals (Ministry of Manpower)

**ADDITIONAL INFORMATION ON DIRECTOR SEEKING RE-ELECTION
PURSUANT TO APPENDIX 7.4.1 LISTING MANUAL OF THE SGX-ST**

	Lim Chee San (continued)	Dr Tay Kin Bee (continued)
- Present	Director of: Gallant Venture Ltd Calex Holdings Limited Singapore Kitchen Equipment Limited Blackgold Natural Resources Limited Partner in TanLim Partnership, Advocates and Solicitors	Director of: Megachem Ltd DCM Asia Pte Ltd Riverside Asia Partners Pte Ltd RiversideAsia Pacific Fund II Pte Ltd SPCI Pte Ltd
Items (a) to (j) listed in Appendix 7.4.1 of the Listing Manual of the SGX-ST	"No" response	"No" response
Item (k) listed in Appendix 7.4.1 Listing Manual of the SGX-ST: Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	Mr Lim has been the subject of a past complaint to the Law Society Singapore about conflict of interest. The complaint was dismissed at the Inquiry Committee Stage in May 2018. Save for the above, there has been no investigation against him. Hence, he has not been the subject of any current or past disciplinary proceeding and have not been reprimanded or issued any warnings by the Monetary Authority of Singapore or any other regulatory authority, SGX-ST, professional body or government agency, whether in Singapore or elsewhere.	"No" response

**ADDITIONAL INFORMATION ON DIRECTOR SEEKING RE-ELECTION
PURSUANT TO APPENDIX 7.4.1 LISTING MANUAL OF THE SGX-ST**

	Yeo Hock Chye	Lim Yew Nghee
Date of appointment	1 July 2019	27 December 2019
Date of last re-appointment	14 August 2020	14 August 2020
Age	74	48
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	Please refer to the Corporate Governance section in the Company's 2022 Annual Report	Please refer to the Corporate Governance section in the Company's 2022 Annual Report
Whether appointment is executive, if so, the area of responsibility	Non-Executive	Non-Executive
Job Title	Independent Director, Chairman of the Board and Audit Committee, and member of the Nominating and Remuneration Committees.	Non-Executive and Non-Independent Director, Member of the Nominating, Remuneration and Audit Committees.
Professional qualifications	Bachelor of Arts (Honours) SMU-SID Executive Diploma in Directorship	Bachelor of Law (Honours) Master of Law, International and Comparative Law
Working experience and occupation(s) during the past 10 years	Please refer to the Board of Directors section in the Company's 2022 Annual Report	Please refer to the Board of Directors section in the Company's 2022 Annual Report
Shareholding interest in the listed issuer and its subsidiaries	Deemed interest of 10,000 shares	None
Any relationship (including immediate family relationships) with any existing director, existing executive office, the issuer and/or substantial shareholder of the listed issuer or of any of its principle subsidiaries	None	Son of Non-Executive Director, Mr Lim Soo Peng. Brother of Non-Executive Director, Mr Lim Yew Khang Cecil.
Conflict of interests (including any competing business)	None	None
Undertaking submitted to the listed issuer in the form of Appendix 7.7 (Listing Rule 704(7))	Yes	Yes
Other Principal Commitments including Directorship - Past	Consultancy work for SMEs, listed companies and for various banks and micro-finance companies in the ASEAN region	Principal, Baker & McKenzie. Wong & Leow
- Present	Nil	Director of: Taxise Asia LLC Taxise Asia Consulting Pte Ltd Singapore Tax Academy Private Exchange Group Pte Ltd
Items (a) to (k) listed in Appendix 7.4.1 of the Listing Manual of the SGX-ST	"No" response	"No" response

SENIOR MANAGEMENT

CHNG HEE KOK

Interim Chief Executive Officer

Mr Chng was appointed as Interim CEO in October 2021. He has helmed a number of SGX listed companies and has experience in a wide range of industries including manufacturing, property development, trading, hotel management and shipping management.

Mr Chng was a former Member of Parliament and holds an MBA and a First Class Honours in Mechanical Engineering.

MICHELLE YEAP MAY LIN

Group Financial Controller

Ms Yeap joined the group in October 2020. She is responsible for the group's finance, compliance and internal control functions. She started her career in the audit and corporate restructuring division with KPMG LLP in Singapore. She went on to join a F&B company as a group Financial Controller. Prior to joining the group, she was a Group Financial Controller in a listed company.

Ms Yeap is a fellow member of Association of Chartered Certified Accountant, United Kingdom (FCCA), a non-practising member of Institute of Singapore Chartered Accountants (ISCA) and a Chartered Accountant of the Malaysian Institute of Accountants (MIA).

YEOH BENG CHAI

Plant & Technical Director

Mr Yeoh joined the group in August 2021. He is responsible for overall plant management and operations which includes safety, production, product quality, cost & productivity etc. He started his career as QA/QC Engineer in Applied Engineering Pte Ltd. He went on to join food manufacturing and specialty chemical manufacturing companies as Regional/Senior Operations Manager. Prior to joining the Group, he was a Plant Manager of NSL OilChem Waste Management Pte Ltd. Mr Yeoh has more than 20 years of plant and operations management experience, and is Green-Belt certified.

Mr Yeoh holds an MBA from The University of Nottingham, a Master Degree of Science (Mechanics and Processing of Materials) & Bachelor Degree of Engineering (Mechanical) from Nanyang Technological University.

IVAN TOH

Head of Commercial

Mr. Ivan Toh joined the group in October 2017 as Head of Commercial and is responsible for developing and expanding the market for our own production products, as well as distribution chemicals.

He has been in the chemical distribution line for 11 years and was previously from a major American chemical distribution company with responsibilities for developing its regional distribution business.

Mr. Toh graduated with a Diploma in Business Studies from Ngee Ann Polytechnic.

TAN PUA YONG

Plant and Technical Advisor

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 then Public Utilities Board. Mr Tan joined Guthrie Engineering (S) Pte Ltd as Technical Director after he retired from the group in May 2017 and re-joined the group as Plant and Technical Advisor in April 2021.

Mr Tan graduated with a Bachelor of Engineering (Honours) degree from the University of Singapore. He has a Master of Science (Industrial Engineering) and a Diploma in Business Administration from the same University. He is a registered Electrical Professional Engineer, a Licenced Electrical Worker and a Singapore Certified Energy Manager.

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 2022.

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 38 to 75 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 2022, 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.

1. DIRECTORS

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

Yeo Hock Chye	(Chairman)
Lim Soo Peng	
Lim Yew Khang Cecil	
Lim Yew Nghee	
Lim Chee San	(Appointed on 28 September 2021)
Tay Kin Bee	(Appointed on 28 September 2021)

2. 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 objective 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.

3. 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 1967, except as follows:

Name of directors and company in which interests are held	Shareholdings registered in the name of directors		Shareholdings in which directors are deemed to have an interest		Shareholdings registered in the name of directors		Shareholdings in which directors are deemed to have an interest
	At beginning of year	At end of year	At beginning of year	At end of year	At 21 April 2022	At 21 April 2022	
Chemical Industries (Far East) Limited. (Ordinary shares)							
Lim Soo Peng	-	-	35,857,750	36,507,750	-	-	36,507,750
Lim Yew Khang Cecil	14,000	14,000	-	-	14,000	-	-
Yeo Hock Chye	-	-	10,000	10,000	-	-	10,000

By virtue of Section 7 of the Singapore Companies Act 1967, Mr Lim Soo Peng is deemed to have an interest in all the related corporations of the company.

4. SHARE OPTIONS

(a) *Options to take up unissued shares*

During the financial year, no options to take up unissued shares of the company or any corporation in the group were 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 options*

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

5. AUDIT COMMITTEE

The Audit Committee of the company, consisting of non-executive and independent directors, is chaired by Mr Yeo Hock Chye, an independent director and comprises Dr Tay Kin Bee, Mr Lim Yew Nghee, and Mr Lim Chee San. The Audit Committee has met seven times since the last Annual General Meeting ("AGM") and has reviewed the following, where relevant, with the executive directors and external and internal auditors of the company:

- a) the audit plan and results of the internal auditor's examination and evaluation of the group's system of internal accounting controls;
- b) the group's financial and operating results and accounting policies;
- c) the audit plans of the external auditors;
- d) the financial statements of the company and the consolidated financial statements of the group before their submission to the directors of the company and external auditor's report on those financial statements;
- e) the half-yearly and annual announcements as well as the related press releases on the results and financial position of the company and the group;
- f) the co-operation and assistance given by the management to the group's external auditors; and
- g) the re-appointment of the external auditors of the group.

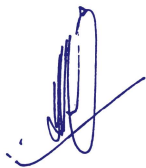
The Audit Committee has full access to and has the co-operation of the management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any director and executive officer to attend its meetings. The external and internal auditors have unrestricted access to the Audit Committee.

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.

6. AUDITORS

The auditors, Deloitte & Touche LLP, have expressed their willingness to accept re-appointment.

ON BEHALF OF THE DIRECTORS

A handwritten signature in blue ink, consisting of a stylized 'L' followed by a series of loops and a long horizontal stroke extending to the right.

LIM SOO PENG

A handwritten signature in blue ink, featuring a series of connected loops and a long horizontal stroke extending to the right.

YEO HOCK CHYE

20 June 2022

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Chemical Industries (Far East) Limited. (the “company”) and its subsidiaries (the “group”), which comprise the consolidated statement of financial position of the group and the statement of financial position of the company as at 31 March 2022, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the group and the statement of changes in equity of the company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 38 to 75.

In our opinion, the accompanying 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 Singapore Companies Act 1967 (the “Act”) and Singapore Financial Reporting Standards (International) (“SFRS(I)s”) so as to give a true and fair view of the consolidated financial position of the group and the financial position of the company as at 31 March 2022 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the group and of changes in equity of the company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (“SSAs”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (“ACRA Code”) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are the matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of investment properties

The group has investment properties stated at fair value, determined based on professional external valuers engaged by the group, which amounted to \$58.1 million and accounted for 38% of group’s total assets as at 31 March 2022.

The valuation process involves significant judgement and estimation. The valuations are dependent on the valuation methodology applied and these are underpinned by a number of assumptions which included price per square feet of market comparables used; location and remaining lease tenure. A change in the key assumptions applied may have a significant impact to the valuation.

Our audit performed and responses thereon

We considered the objectivity, independence, qualification and competency of the external valuer engaged by the group.

We considered the appropriateness of the valuation techniques used by the external valuer for the respective investment properties, taking into account the profile and type of the investment properties. We discussed with the external valuer on the results of the work, and compared the key assumptions used in their valuations by reference to publicly available information where applicable and considered whether these assumptions are consistent with the current market environment.

We also considered the adequacy of the disclosures in the financial statements in describing the inherent degree of subjectivity and key assumptions in the estimates.

We found that the external valuer had an appropriate level of qualification and experience. The valuation methodology adopted was in line with generally accepted market practices. The key assumptions used were within reasonable range, taking into account available industry data for comparable markets and properties. We also found the related disclosures in the financial statements to be adequate.

Disclosures on key assumptions and valuation techniques of investment properties are found in Notes 3(a) and 10 to the financial statements.

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

The carrying amount of the property, plant and equipment (“PPE”) of the group is \$20.1 million as at 31 March 2022. Included within the PPE are leasehold land and plant and equipment used for production and sale of chemicals in Myanmar. Due to continued political uncertainty in Myanmar, there is indication of impairment of the carrying amount of these plant and equipment. In addition, there is also indication of impairment of the cost of investment in subsidiary of the company, Chemical Industries (Myanmar) Limited.

The group carried out an impairment assessment of the plant and equipment and the cost of investment in subsidiary by estimating the recoverable amounts using current available information. The discounted cashflow valuation methodology was used in estimating the recoverable amount using projected cashflows based on sales to existing customers, present valued using a discount rate and a terminal growth rate. The valuation is sensitive to key assumptions applied including impact from any diplomatic and/or economic responses, and potential sanctions against the country. A change in the key assumptions will have an impact on the recoverable amount and the amount of impairment. The recoverable amount determined by management may change significantly and unexpectedly over a relatively short period of time in view of the evolving developments in Myanmar.

Arising from the above, the group recorded an additional impairment loss of \$6.2 million on the carrying amount of PPE as disclosed in Note 9 to the financial statements.

The company recorded an additional impairment of \$3.1 million on the cost of investment in subsidiary as disclosed in Note 11 to the financial statements.

Our audit performed and responses thereon

Our audit procedures included understanding management’s process in assessing the impairment. We involved our valuation specialists to understand the valuation methodology used and the underlying assumptions and tested the key inputs used such as discount rate and terminal growth rate. We held discussions with management to understand and challenge the basis of the forecast and how they have considered the impact of political uncertainties. We noted the methodology is in line with generally accepted market practices and the key assumptions applied are consistent with currently observable market data and the environment. The key assumptions and sensitivity analysis are disclosed in Notes 9 and 11 to the financial statements.

Information Other than the Financial Statements and Auditor’s Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor’s report thereon, which we obtained prior to the date of this auditor’s report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors 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 Act and SFRS(I)s, 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.

In preparing the financial statements, management is responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b) Obtain an understanding of internal control relevant to the audit 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 group's internal control.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.
- e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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.

The engagement partner on the audit resulting in this independent auditor's report is Lee Boon Teck.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

20 June 2022

STATEMENTS OF FINANCIAL POSITION

31 March 2022

		Group		Company	
	Note	2022	2021	2022	2021
		\$'000	\$'000	\$'000	\$'000
ASSETS					
Current assets					
Cash and cash equivalents	6	44,977	41,744	39,769	37,969
Trade and other receivables	7	18,501	13,007	17,852	12,514
Due from subsidiaries	13	-	-	4,733	5,916
Inventories	8	9,968	4,496	9,759	3,496
Total current assets		73,446	59,247	72,113	59,895
Non-current assets					
Property, plant and equipment	9	20,095	29,494	19,020	21,608
Investment properties	10	58,100	55,800	-	-
Subsidiaries	11	-	-	6,383	9,479
Associate	12	-	-	-	-
Financial assets at fair value through profit or loss (“FVTPL”)	14	1,009	873	1,009	873
Total non-current assets		79,204	86,167	26,412	31,960
Total assets		152,650	145,414	98,525	91,855
LIABILITIES AND EQUITY					
Current liabilities					
Trade and other payables	15	13,681	8,053	12,898	6,863
Contract liabilities	16	208	750	208	750
Lease liabilities	17	892	986	892	986
Income tax payable		1,771	4,345	1,641	4,175
Total current liabilities		16,552	14,134	15,639	12,774

See accompanying notes to financial statements.

STATEMENTS OF FINANCIAL POSITION (cont'd)

31 March 2022

	Note	Group		Company	
		2022	2021	2022	2021
		\$'000	\$'000	\$'000	\$'000
Non-current liabilities					
Lease liabilities	17	3,801	4,543	3,801	4,543
Deferred tax liabilities	18	1,906	2,000	1,799	1,823
Total non-current liabilities		5,707	6,543	5,600	6,366
Capital and reserves					
Share capital	19	75,945	75,945	75,945	75,945
Translation reserve	20	(9)	(2)	-	-
Accumulated profits (losses)		54,455	48,794	1,341	(3,230)
Total equity		130,391	124,737	77,286	72,715
Total liabilities and equity		152,650	145,414	98,525	91,855

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 March 2022

		Group	
	Note	2022	2021
		\$'000	\$'000
Revenue	21	85,000	63,002
Cost of sales		(62,927)	(43,690)
Gross profit		22,073	19,312
Other income			
Fair value gains on investment properties	10	2,300	1,300
Others (net)	22	2,009	2,158
Distribution expenses		(6,138)	(6,872)
Administrative expenses		(14,279)	(8,878)
Finance costs		(154)	(176)
Profit before tax		5,811	6,844
Income tax credit (expense)	23	989	(1,274)
Profit for the year attributable to owners of the company	24	6,800	5,570
Other comprehensive loss, net of tax			
<i>Item that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations		(7)	(306)
Total comprehensive income for the year attributable to owners of the company		6,793	5,264
Earnings per share			
Basic and diluted	26	8.95 cents	7.33 cents

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN EQUITY

Year ended 31 March 2022

	Note	Share capital \$'000	Translation reserves \$'000	Accumulated profits \$'000	Attributable to equity holders of the company \$'000
<u>Group</u>					
Balance at 1 April 2020		75,945	304	44,363	120,612
<u>Total comprehensive income for the year</u>					
Profit for the year		-	-	5,570	5,570
Other comprehensive loss		-	(306)	-	(306)
Total		-	(306)	5,570	5,264
Dividends paid, representing transactions with owners, recognised directly in equity	25	-	-	(1,139)	(1,139)
Balance as at 31 March 2021		75,945	(2)	48,794	124,737
<u>Total comprehensive income for the year</u>					
Profit for the year		-	-	6,800	6,800
Other comprehensive loss		-	(7)	-	(7)
Total		75,945	(7)	6,800	6,793
Dividends paid, representing transactions with owners, recognised directly in equity	25	-	-	(1,139)	(1,139)
Balance as at 31 March 2022		75,945	(9)	54,455	130,391

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN EQUITY (cont'd)

Year ended 31 March 2022

	Note	Share capital \$'000	Accumulated losses \$'000	Total \$'000
<u>Company</u>				
Balance at 1 April 2020		75,945	(3,379)	72,566
Profit for the year, representing total comprehensive income for the year		-	1,288	1,288
Dividends paid, representing transactions with owners, recognised directly in equity	25	-	(1,139)	(1,139)
Balance as at 31 March 2021		75,945	(3,230)	72,715
Profit for the year, representing total comprehensive income for the year		-	5,710	5,710
Dividends paid, representing transactions with owners, recognised directly in equity	25	-	(1,139)	(1,139)
Balance as at 31 March 2022		75,945	1,341	77,286

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 March 2022

	Group	
	2022	2021
	\$'000	\$'000
Operating activities		
Profit before tax	5,811	6,844
Adjustments for:		
Reversal of loss allowance on trade receivables	-	(189)
Depreciation of property, plant and equipment	5,099	5,461
Fair value gains on investment properties	(2,300)	(1,300)
Fair value gains on financial assets at FVTPL	(115)	(216)
Impairment loss on property, plant and equipment	6,159	3,826
Foreign exchange differences	(31)	399
Dividend income	(41)	(22)
Loss on disposal of property, plant and equipment	-	53
Interest expense	154	176
Interest income	(116)	(202)
Operating cash flows before movements in working capital	14,620	14,830
Trade and other receivables	(5,472)	(1,736)
Inventories	(5,472)	890
Trade and other payables	5,621	1,495
Contract liabilities	(542)	270
Cash generated from operations	8,755	15,749
Dividends paid	(1,139)	(1,139)
Income tax paid	(1,679)	(1,203)
Interest paid	-	(1)
Interest received	116	202
Dividends received	41	22
Net cash from operating activities	6,094	13,630

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

(cont'd)

Year ended 31 March 2022

	Group	
	2022	2021
	\$'000	\$'000
Investing activities		
Proceeds on disposal of property, plant and equipment	-	162
Purchase of property, plant and equipment	(1,850)	(2,773)
Additions to financial assets at FVTPL	(21)	-
Net cash used in investing activities	(1,871)	(2,611)
Financing activity		
Repayment of lease liabilities, representing		
net cash used in financing activity	(990)	(1,023)
Net increase in cash and cash equivalents	3,233	9,996
Cash and cash equivalents at beginning of year	41,744	31,748
Cash and cash equivalents at end of year	44,977	41,744

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

31 March 2022

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 the associate are disclosed in Notes 11 and 12 to the financial statements respectively.

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 2022 were authorised for issue by the Board of Directors on 20 June 2022.

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 (International) ("**SFRS(I)s**").

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 leasing transactions that are within the scope of SFRS(I) 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in SFRS(I) 1-2 *Inventories* or value in use in SFRS(I) 1-36 *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 2021, the group and the company adopted all the new and revised SFRS(I) pronouncements that are relevant to its operations. The adoption of these new / revised SFRS(I) pronouncements does not result in changes to the group's and the company's accounting policies and has no material effect on the amounts reported for the current or prior years.

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.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the group are eliminated on consolidation.

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.

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 SFRS(I)s). 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 SFRS(I) 9 *Financial Instruments*, when applicable, or the cost on initial recognition of an investment in an associate or a joint venture.

In the company's financial statements, investments in subsidiaries and associates are carried at cost less any impairment in net recoverable value that has been recognised in profit or loss.

FINANCIAL INSTRUMENTS - 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.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss ("FVTPL")

Financial assets that do not meet the criteria for being measured at amortised cost are measured at FVTPL. Specifically, these relate to the group's investments in quoted equity shares. Financial assets at FVTPL are measured at fair value as at each reporting date, with any fair value gains or losses recognised in profit or loss.

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchase or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest is recognised using the effective interest method for debt instruments measured subsequently at amortised cost, except for short-term balances when the effect of discounting is immaterial.

Impairment of financial assets

The group recognises a loss allowance for expected credit losses (“ECL”) on investments in debt instruments that are measured at amortised cost. No impairment loss is recognised for investments in equity instruments. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The group always recognises lifetime ECL for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

The group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the group has reasonable and supportable information that demonstrates otherwise.

The group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The group considers that default has occurred when a financial asset is more than 90 days past due unless the group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

Evidence that a financial asset is credit-impaired includes observable data about the following events:

- a) significant financial difficulty of the issuer or the borrower;
- b) a breach of contract, such as a default or past due event;

- c) the lender(s) of the borrower, for economic or contractual reasons to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lenders(s) would not otherwise consider;
- d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- e) the disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy

The group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery. Financial assets written off may still be subject to enforcement activities under the group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of ECL

For financial assets, ECL is estimated as the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the group expects to receive, discounted at the original effective interest rate.

If the group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

Derecognition of financial assets

The group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. 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

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements 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 an entity after deducting all of its liabilities. Equity instruments issued by a group are recognised at the proceeds received, net of direct issue costs.

Trade and other payables

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method, except for short-term balances, when the effect of discounting is immaterial.

Derecognition of financial liabilities

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

Offsetting arrangements

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when the company and the group has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. A right to set-off must be available today rather than being contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy.

LEASES

The group as lessee

The group assesses whether a contract is or contains a lease, at inception of the contract. The group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the group uses the incremental borrowing rate specific to the lessee.

The incremental borrowing rate depends on the term, currency and start date of the lease and is determined based on a series of inputs including: the risk-free rate based on government bond rates; a country-specific risk adjustment; a credit risk adjustment based on bond yields; and an entity-specific adjustment when the risk profile of the entity that enters into the lease is different to that of the group and the lease does not benefit from a guarantee from the group.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The group applies SFRS(I) 1-36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described below.

The group as lessor

The group enters into lease agreements as a lessor with respect to its investment properties.

Leases for which the group is a lessor are classified as finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. 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.

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.

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 land	-	2.2% to 20%
Leasehold buildings	-	3.3% to 10%
Plant and machinery and laboratory equipment	-	5% to 33.3%
Steel cylinders	-	6.66%
Office equipment, furniture and fittings	-	10% to 33.3%
Motor vehicles	-	25%

Construction-in-progress is not depreciated.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual 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.

INVESTMENT PROPERTIES - Investment properties, which are properties held to earn rentals and/or for capital appreciation are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains or losses arising from changes in the fair value of investment properties 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 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. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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 (or 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 (or 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 (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately 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.

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 SFRS(I) 1-36 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 is tested for impairment in accordance with SFRS(I) 1-36 as a single asset by comparing its recoverable amount 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 SFRS(I) 1-36 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 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.

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.

GOVERNMENT GRANTS - Government grants are not recognised until there is reasonable assurance that the group will comply with the conditions attaching to them and the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the group recognises as expenses related costs for which the grants are intended to compensate.

REVENUE RECOGNITION – Revenue is measured based on the consideration to which the group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The group recognises revenue when it transfers control of a product or service to a customer.

Revenue from the sale of goods is recognised at the point in time when the group has transferred to the customer control of the asset, generally on delivery of the goods.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

BORROWING COSTS - All 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. 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.

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.

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 is 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. The group 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.

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 that are measured in terms of historical cost in a foreign currency are not retranslated. All exchange differences are recognised in profit or loss.

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 that 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

The following are the critical judgements, apart from those involving estimates (see below), that management has made in the process of applying the group's accounting policies and that has the most significant effect on the amounts recognised in the financial statements.

Provision for current tax

As described in Note 2, 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. The group reviews the tax provision regularly and at the end of each reporting period, taking into consideration any changes in capital allowance based on the latest tax computation submitted and agreed to by the tax authority.

Income tax payable for the group and company amounted to \$1,771,000 and \$1,641,000 respectively (2021 : \$4,345,000 and \$4,175,000 respectively).

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) Fair value of investment properties

The group's investment properties are stated at fair value, based on valuations performed by an independent valuer. The fair values at the end of the reporting period may differ from the prices at which the investment properties could be sold for in future, since actual transaction prices are negotiated between willing buyers and sellers.

The carrying amount of investment properties and information about the valuation techniques and inputs used in determining fair value are disclosed in Note 10.

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

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

For the year ended 31 March 2022, the impairment loss on property, plant and equipment and cost of investment in subsidiary amounted to \$6,159,000 and \$3,096,000 (2021 : \$3,826,000 and \$3,700,000) respectively.

The carrying amounts of property, plant and equipment of the group and company are disclosed in Note 9. The carrying amount of investment in subsidiaries is disclosed in Note 11.

c) 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 by reference to expected usage, repair and maintenance, and technical or commercial obsolescence. Changes to these factors could impact the useful lives and related depreciation charges.

The carrying amount of property, plant and equipment is disclosed in Note 9.

d) Allowance for inventories

In determining the allowance for inventories, management compares the net realisable value against the cost of the inventories. This involves estimating future demand and selling prices of the inventories. Changes to these estimates may result in the recognition of additional allowances for inventories.

The carrying amount of inventories is disclosed in Note 8.

4 **FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT**

(a) Categories of financial instruments

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

	Group		Company	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Financial Assets				
At amortised cost	62,523	53,525	57,280	55,271
At fair value through profit or loss ("FVTPL")	1,009	873	1,009	873
Financial Liabilities				
At amortised cost	13,889	8,475	13,106	7,352
Lease liabilities	4,693	5,529	4,693	5,529

(b) Financial risk management policies and objectives

The group's activities expose it to a variety of financial risks. There has been no change to the group's exposure to these financial risks or the manner in which it manages and measures the risks. 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.

At the end of the reporting period, the carrying amounts of significant monetary assets and liabilities denominated in currencies other than the functional currency of the respective group entities are as follows:

	Assets		Liabilities	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
<u>Group</u>				
United States dollar	11,253	9,874	1,806	1,170
Myanmar Kyat	793	133	37	23
<u>Company</u>				
United States dollar	11,253	9,874	1,806	1,170

Foreign currency sensitivity

The sensitivity rate used when reporting foreign currency risk exposures internally to key management personnel is 10%, which represents management's assessment of the possible change in foreign exchange rates.

If the United States dollar were to strengthen/weaken by 10% against the Singapore dollar, the group's and the company's profit before tax will increase/decrease by \$945,000 (2021 : \$870,000).

Management is of the view that exchange rate movements of the Myanmar Kyat against the Singapore dollar will not have a significant impact on the group's profit before tax.

(ii) Interest rate risk management

Management is of the view that the group and company are not exposed to significant interest rate risk.

(iii) Equity price risk management

The group and company are exposed to equity price risk arising from financial assets at FVTPL. Financial assets at FVTPL are held for strategic rather than trading purposes. Further details can be found in Note 14 to the financial statements.

Equity price sensitivity

If the quoted market prices had been 10% higher/lower as at 31 March 2022 while all other variables were held constant, the group's and the company's profit or loss would increase/decrease by approximately \$101,000 (2021 : \$87,000).

(iv) Credit risk management

The group's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising expected credit losses (ECL)
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
Doubtful	Amount is > 30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL - not credit-impaired
In default	Amount is > 90 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL - credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the group has no realistic prospect of recovery.	Amount is written off

The tables below detail the credit quality of the group's financial assets and other items, as well as maximum exposure to credit risk by credit risk rating grades:

	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount \$'000	Loss allowance \$'000	Net carrying amount \$'000
<u>Group - 2022</u>						
Trade receivables	7	(i)	Lifetime ECL	16,721	(565)	16,156
Other receivables	7	Performing	12-month ECL	1,390	-	1,390
					<u>(565)</u>	
<u>Group - 2021</u>						
Trade receivables	7	(i)	Lifetime ECL	11,590	(565)	11,025
Other receivables	7	Performing	12-month ECL	756	-	756
					<u>(565)</u>	
<u>Company - 2022</u>						
Trade receivables	7	(i)	Lifetime ECL	16,554	(565)	15,989
Other receivables	7	Performing	12-month ECL	981	-	981
Due from subsidiaries	13	Performing	12-month ECL	4,733	-	4,733
		In default	Lifetime ECL	4,236	(4,236)	-
					<u>(4,801)</u>	
<u>Company - 2021</u>						
Trade receivables	7	(i)	Lifetime ECL	11,303	(565)	10,738
Other receivables	7	Performing	12-month ECL	648	-	648
Due from subsidiaries	13	Performing	12-month ECL	5,916	-	5,916
		In default	Lifetime ECL	3,711	(3,711)	-
					<u>(4,276)</u>	

- (i) For trade receivables, the group has applied the simplified approach to measure the loss allowance at lifetime ECL. The group determines the expected credit losses on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions.

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 5 (2021 : 5) customers from the industrial chemicals segment in Singapore. The amounts receivable from these customers represented approximately 41% (2021 : 36%) of the total trade receivables of the group and 42% (2021 : 36%) of the total trade receivables of the company. Management believes that the financial standing of these customers which are multinational corporations substantially mitigates the group's exposure to credit risk.

The maximum exposure to credit risk in the event that the counterparties fail to perform their obligations as at the end of the reporting period in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the statement of financial position.

Further details of credit risks on trade and other receivables are disclosed in Note 7.

(v) *Liquidity risk management*

The group maintains sufficient cash and bank balances and internally generated cash flows to finance its activities.

Apart from fixed deposits and lease liabilities for which details are disclosed in Notes 6 and 17 respectively, the group's and company's financial assets and liabilities with fixed maturity are non-interest bearing and due on demand or within one year.

(vi) *Fair value of financial assets and financial liabilities*

The carrying amounts of cash and cash equivalents, trade and other receivables and trade and other payables approximate their respective fair values due to the relatively short-term maturity of these financial instruments. Management is of the view that the carrying amount of lease liabilities approximates the fair value, as the interest rates approximate prevailing market rates.

Apart from the financial assets at fair value through profit or loss, for which details are disclosed in Note 14, the group and the company have no financial assets and financial liabilities that are measured at fair value on a recurring basis.

(c) *Capital 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 group's overall strategy remains unchanged from prior year.

The capital structure of the group consists of share capital, reserves and accumulated profits.

5 RELATED PARTY 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.

Other than as disclosed elsewhere in the financial statements, the following related party transactions took place between the group and related parties during the year on terms agreed by the parties concerned:

Compensation of directors and key management personnel

The remuneration of directors and key management personnel during the year was as follows:

	Group	
	2022	2021
	\$'000	\$'000
Short-term benefits	1,838	2,963
Post-employment benefits	27	120
Retirement gratuity provision	2,000	-
	3,865	3,083

The remuneration of directors and key management personnel is determined by the Remuneration Committee having regard to the performance of individuals and market trends.

The retirement gratuity provision is payable to the former Managing Director following his cessation as Managing Director.

6 CASH AND CASH EQUIVALENTS

	Group		Company	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Cash at bank	15,901	10,713	12,933	9,176
Fixed deposits	29,065	31,013	26,825	28,782
Cash on hand	11	18	11	11
	44,977	41,744	39,769	37,969

Fixed deposits bear average interest rate of 0.4% to 0.8% (2021 : 0.30% to 0.85%) per annum and have varying maturity dates of 90 to 180 days (2021 : 30 to 90 days).

7 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Trade receivables due from:				
Sale of goods	16,706	11,395	16,554	11,303
Rental income	15	195	-	-
Less: Loss allowance	(565)	(565)	(565)	(565)
	16,156	11,025	15,989	10,738
Other receivables				
Grant receivable ^(a)	-	116	-	90
Sundry debtors	996	176	937	92
Rental deposits	5	5	-	-
Prepayments	955	1,110	882	1,038
Other deposits	389	61	44	42
Amount due from a director ^(b)	-	514	-	514
	18,501	13,007	17,852	12,514

^(a) Grant receivable relates mainly to Jobs Support Scheme announced by the government (Note 22).

^(b) Amount due from a director arose from obligation by the director to repay his variable bonus to the company in the event performance targets are not met. The amount was received by the company in the current financial year.

The average credit period on sales of goods is 30 days (2021 : 30 days). No interest is charged on overdue trade receivables.

Loss allowance for trade receivables has always been measured at an amount equal to lifetime ECL. The ECL on trade receivables are estimated using a provision matrix by reference to past default experience.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

A trade receivable is written off when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

The following table details the risk profile of trade receivables from contracts with customers based on the group's provision matrix. As the group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the group's different customer bases.

	Group						
	Trade receivables - days past due						
	Not past due	< 30 days	31 - 60 days	61 - 90 days	91 - 120 days	Specific provision	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2022							
Estimated total gross carrying amount at default	13,297	2,321	489	75	80	459	16,721
Lifetime ECL	(12)	(9)	(7)	(7)	(71)	(459)	(565)
							<u>16,156</u>
2021							
Estimated total gross carrying amount at default	5,999	2,827	1,635	186	484	459	11,590
Lifetime ECL	(9)	(16)	(39)	(24)	(18)	(459)	(565)
							<u>11,025</u>

The group does not expect to incur significant loss allowances on trade receivables due from rental income due to the availability of rental deposits placed by tenants.

The movements in credit loss allowance are as follows:

Group	Individually assessed	Lifetime ECL - credit-impaired	Total
	\$'000	\$'000	\$'000
Balance at 1 April 2020	644	110	754
Amounts recovered	(185)	-	(185)
Change in loss allowance	-	(4)	(4)
Balance as at 31 March 2021 and 31 March 2022	<u>459</u>	<u>106</u>	<u>565</u>

For purpose of impairment assessment, other receivables are considered to have low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month ECL.

In determining the ECL, management has taken into account the historical default experience and the financial position of the counterparties.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for other receivables.

8 INVENTORIES

	Group		Company	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Finished goods	4,818	2,743	4,815	1,780
Raw materials and consumables	1,483	1,647	1,277	1,610
Work-in-progress	3,667	106	3,667	106
	<u>9,968</u>	<u>4,496</u>	<u>9,759</u>	<u>3,496</u>

9 PROPERTY, PLANT AND EQUIPMENT

Group	Construction- in-progress	Leasehold land	Leasehold buildings	Plant and machinery	Steel cylinders	Laboratory equipment	Office equipment, furniture and fittings	Motor vehicles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cost:									
At 1 April 2020	597	9,192	35,443	116,806	5,335	590	1,657	3,097	172,717
Additions	60	-	42	610	896	92	55	1,018	2,773
Exchange differences	(3)	(107)	(169)	(345)	-	(1)	(7)	(11)	(643)
Disposals	(85)	-	(21)	(241)	-	(21)	-	(1,339)	(1,707)
Transfers	(505)	-	(145)	567	-	-	-	-	(83)
At 31 March 2021	64	9,085	35,150	117,397	6,231	660	1,705	2,765	173,057
Additions	542	28	-	643	395	4	194	44	1,850
Exchange differences	-	9	14	27	-	-	1	1	52
Write-offs	-	-	-	-	-	-	(2)	-	(2)
Transfers	(4)	-	23	(23)	-	-	4	-	-
At 31 March 2022	602	9,122	35,187	118,044	6,626	664	1,902	2,810	174,957
Accumulated depreciation:									
At 1 April 2020	-	945	26,061	89,201	4,133	467	1,328	2,701	124,836
Depreciation	-	940	1,417	2,530	148	30	114	282	5,461
Exchange differences	-	-	(2)	(12)	-	-	-	-	(14)
Disposals	-	-	-	(154)	-	-	-	(1,338)	(1,492)
At 31 March 2021	-	1,885	27,476	91,565	4,281	497	1,442	1,645	128,791
Depreciation	-	925	1,369	2,076	183	31	185	330	5,099
Exchange differences	-	-	1	5	-	-	-	-	6
Write-offs	-	-	-	-	-	-	(2)	-	(2)
At 31 March 2022	-	2,810	28,846	93,646	4,464	528	1,625	1,975	133,894

	Construction- in-progress	Leasehold land	Leasehold buildings	Plant and machinery	Steel cylinders	Laboratory equipment	Office equipment, furniture and fittings	Motor vehicles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Group (cont'd)									
Impairment:									
At 1 April 2020	-	-	-	11,000	-	-	-	-	11,000
Impairment loss	7	674	1,022	2,016	-	15	31	61	3,826
Exchange differences	-	(10)	(14)	(28)	-	-	(1)	(1)	(54)
At 31 March 2021	7	664	1,008	12,988	-	15	30	60	14,772
Impairment loss	32	1,129	1,702	3,156	-	-	44	96	6,159
Exchange differences	-	10	12	14	-	-	-	1	37
At 31 March 2022	39	1,803	2,722	16,158	-	15	74	157	20,968
Carrying amount:									
At 31 March 2022	563	4,509	3,619	8,240	2,162	121	203	678	20,095
At 31 March 2021	57	6,536	6,666	12,844	1,950	148	233	1,060	29,494

Company	Construction- in-progress	Leasehold land	Leasehold buildings	Plant and machinery	Steel cylinders	Laboratory equipment	Office equipment, furniture and fittings	Motor vehicles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cost:	528	7,180	32,322	109,232	5,335	574	915	618	156,704
	40	-	-	527	896	58	29	-	1,550
	(17)	-	-	(241)	-	-	-	(310)	(568)
	(505)	-	-	422	-	-	-	-	(83)
	46	7,180	32,322	109,940	6,231	632	944	308	157,603
	521	28	-	643	395	4	74	-	1,665
	-	-	-	-	-	-	(2)	-	(2)
	(4)	-	-	-	-	-	4	-	-
	563	7,208	32,322	110,583	6,626	636	1,020	308	159,266
Accumulated depreciation:	-	898	26,053	88,224	4,133	467	806	577	121,158
	-	898	1,325	1,831	149	21	45	32	4,301
	-	-	-	(154)	-	-	-	(310)	(464)
	-	1,796	27,378	89,901	4,282	488	851	299	124,995
	-	903	1,325	1,765	182	27	44	7	4,253
	-	-	-	-	-	-	(2)	-	(2)
	-	2,699	28,703	91,666	4,464	515	893	306	129,246
	-	-	-	11,000	-	-	-	-	11,000
Carrying amount:	563	4,509	3,619	7,917	2,162	121	127	2	19,020
	46	5,384	4,944	9,039	1,949	144	93	9	21,608

Impairment of property, plant and equipment in Myanmar

Included in property, plant and equipment are leasehold land and plant and equipment that are used for production and sale of chemicals in Myanmar.

At the end of the reporting period, the group considered indicators of impairment on these assets and estimated their recoverable amount based on discounted cashflow valuation methodology. This led to the recognition of impairment losses amounting to \$6.2 million (2021 : \$3.8 million), presented within "Administrative expenses" in the consolidated statement of profit or loss and other comprehensive income.

The property, plant and equipment in Myanmar are fully impaired as at 31 March 2022. This reflects management's view that the recoverability of the assets is highly uncertain considering the group's exposure to political and business risks in Myanmar.

Key inputs to the discounted cashflow valuation were the discount rate and the terminal growth rate, which was projected based on past experience and current market conditions.

As at 31 March 2022, changes to each of the key inputs (while maintaining other variables constant) will have the following impact on the impairment loss recognised during the year:

	Current inputs	Change	Impact on impairment loss
Discount rate	20%	5% decrease	\$0.5 million decrease
Terminal growth rate	2%	5% increase	\$0.3 million decrease

Particulars of leasehold buildings held by the group and the company

These 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. Subsequent to the financial year end, the lessor has given in-principle agreement to extend the lease for another 6 years, expiring in 2031.

Information relating to right-of-use assets included within property, plant and equipment

	<u>Group</u>		<u>Company</u>	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Carrying amount of right-of-use assets (Leasehold land)	4,509	6,536	4,509	5,384
Depreciation of right-of-use assets (Leasehold land)	925	940	903	898

10 INVESTMENT PROPERTIES

	Total
	\$'000
<u>Group</u>	
Balance at 1 April 2020	54,500
Fair value gains included in profit or loss	1,300
Balance at 31 March 2021	55,800
Fair value gains included in profit or loss	2,300
Balance at 31 March 2022	58,100

The fair values of the group's investment properties have been determined on the basis of valuations carried out at the year end date by an independent valuer with a recognised and relevant professional

qualification and experience in the location and category of the properties being valued, and not related to the group. The fair values were determined based on transacted prices for similar properties, adjusted for comparability. Such adjustments relate to differences in location and remaining lease tenure of the comparable properties, amongst other factors. As these adjustments constitute significant unobservable inputs, the fair value measurement of the investment properties are categorised into Level 3 of the fair value hierarchy. There were no transfers between the respective levels during the year.

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.

The property rental income from the group's investment properties which are leased out under operating leases amounted to \$940,000 (2021 : \$954,000). Direct operating expenses (including repairs and maintenance) arising from the rental-generating investment properties amounted to \$251,000 (2021 : \$173,000).

The group considers the transacted price per square foot used by the independent valuers, ranging from \$1,439 to \$3,209 (2021 : \$1,224 to \$3,448), as sensitive to the fair value measurements of the investment properties. The higher (lower) the transacted price per square foot, the higher (lower) the fair value.

The investment properties held by the group as at 31 March 2022 and 2021 are as follows:

Locations	Description	Tenure
a) 19 Carpenter Street Singapore 059908 Lots 99677C, 99675X, and 99674N of Town Subdivision 7	5 storey commercial building with gross floor area of 23,286 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 gross floor area of 23,151 square feet	99 years lease commencing from 1 January 1951

11 SUBSIDIARIES

	Company	
	2022	2021
	\$'000	\$'000
Unquoted equity shares – at cost	13,179	13,179
Less: impairment loss recognised	(6,796)	(3,700)
	6,383	9,479

The following table shows the movement of impairment losses that has been recognised for the respective financial year:

	Company	
	2022	2021
	\$'000	\$'000
Balance at beginning of year	3,700	-
Net movement for the year	3,096	3,700
Balance at end of year	6,796	3,700

An impairment loss of \$3,096,000 was recorded against the investment in a subsidiary for the year ended 31 March 2022 (2021 : \$3,700,000). The impairment was recorded based on the estimated recoverable amount of the investment taking into consideration country risks including political and economic uncertainties. The key assumptions include discount rate of 20% (2021 : 15%) and terminal growth rate of 2% (2021 : 2%).

Details of the company's subsidiaries are as follows:

Name of subsidiary, country of incorporation and place of operations	Principal activity	Proportion of ownership interest and voting power held	
		2022	2021
		%	%
Chem Transport Pte Ltd * (Singapore)	Distribution and transportation services.	100	100
Kimia Trading Pte. Ltd. * (Singapore)	General merchant, importer and exporter of chemicals.	100	100
Chemical Industries (Myanmar) Limited ** (Republic of the Union of Myanmar)	Manufacture and wholesale of sodium hypochlorite.	100	100
Juta Properties Private Limited * (Singapore)	Proprietor of commercial buildings.	100	100
<u>Held by Juta Properties Private Limited</u>			
JPI Investments Pte Ltd *** (British Virgin Islands)	Dormant.	100	100

* Audited by Deloitte & Touche LLP, Singapore.

** Audited by Myanmar Vigour & Associates Limited, Myanmar

*** Not required to be audited.

12 ASSOCIATES

	Group	
	2022	2021
	\$'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 associate. Accordingly, the group's share of post-acquisition reserves was limited to the group's cost of investment of \$1,000 (2021 : \$1,000).

Details of the group's associate is as follows:

Name of associate, country of incorporation and place of operations	Principal activity	Proportion of ownership interest and voting power held	
		2022	2021
		%	%
Industrial Diamonds Enterprise B.V.I. Ltd. (Singapore)	Dormant	45	45

13 DUE FROM SUBSIDIARIES

	Company	
	2022	2021
	\$'000	\$'000
Due from subsidiaries	8,969	9,627
Less: loss allowance	(4,236)	(3,711)
	<u>4,733</u>	<u>5,916</u>

During the year, the company recorded loss allowance of \$525,000 (2021 : \$3,711,000) against receivables due from a subsidiary.

14 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group and Company	
	2022	2021
	\$'000	\$'000
Quoted equity shares	<u>1,009</u>	<u>873</u>

Investments in quoted equity shares 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. The fair value measurements are categorised into Level 1 of the fair value hierarchy, and there were no transfers between the respective levels.

15 TRADE AND OTHER PAYABLES

	Group		Company	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Trade payables	6,943	3,341	6,379	2,811
Deferred grant income ^(a)	-	328	-	261
Accrued expenses:				
- Staff-related costs	1,017	965	888	894
- Directors' fees	519	455	519	455
- Retirement gratuity provision ^(b)	2,000	-	2,000	-
- Utilities charges	1,766	2,267	1,766	2,259
- Other accruals	1,332	630	1,278	116
Sundry creditors	104	67	68	67
	<u>13,681</u>	<u>8,053</u>	<u>12,898</u>	<u>6,863</u>

^(a) Deferred grant income relates mainly to Jobs Support Scheme announced by the government (Note 22).

^(b) The retirement gratuity provision is payable to the former Managing Director following his cessation as Managing Director.

The average credit period on purchases of goods is 30 days (2021 : 30 days). No interest is charged on overdue trade payables.

16 CONTRACT LIABILITIES

	Group and Company	
	2022	2021
	\$'000	\$'000
Contract liabilities	208	750

Contract liabilities mainly represent amounts billed to customers in advance.

The following table shows how much of the revenue recognised in the current reporting period relates to brought-forward contract liabilities. There was no revenue recognised in the current reporting period that related to performance obligations that were satisfied in a prior year.

	Group and Company	
	2022	2021
	\$'000	\$'000
Sales of goods	750	480

17 LEASE LIABILITIES (The group and company as lessee)

	Group	
	2022	2021
	\$'000	\$'000
Maturity analysis:		
Within one year	1,022	1,014
In the second to fifth years inclusive	3,437	4,056
After five years	650	1,025
	5,109	6,095
Less: Unearned interest	(416)	(566)
	4,693	5,529
Analysed as:		
Current	892	986
Non-current	3,801	4,543
	4,693	5,529

The group does not face a significant liquidity risk with regard to its lease liabilities.

Reconciliation of liabilities arising from financing activities

Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the group's consolidated statement of cash flows as cash flows from financing activities. The group's liabilities arising from financing activities comprise lease liabilities.

31 March 2022

	1 April 2021	Financing cash flows	Interest accruing	31 March 2022
	\$'000	\$'000	\$'000	\$'000
Lease liabilities	5,529	(990)	154	4,693

31 March 2021

	1 April 2020	Financing cash flows	Interest accruing	31 March 2021
	\$'000	\$'000	\$'000	\$'000
Lease liabilities	6,376	(1,023)	176	5,529

18 DEFERRED TAX LIABILITIES

	Group		Company	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
At beginning of year	2,000	2,355	1,823	2,270
Credited to profit or loss (Note 23)	(94)	(355)	(24)	(447)
At end of year	1,906	2,000	1,799	1,823

Deferred tax balances mainly relate to differences between tax and book depreciation of property, plant and equipment.

19 SHARE CAPITAL

	Group and Company			
	2022	2021	2022	2021
	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.

20 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.

21 REVENUE

		Group	
		2022	2021
		\$'000	\$'000
Segment revenue	Timing of revenue recognition		
Industrial Chemicals			
Sales of goods	At a point in time	84,060	62,048
Properties			
Rental income	Over time	940	954
		85,000	63,002

22 OTHER INCOME (EXPENSE) (NET)

	Group	
	2022	2021
	\$'000	\$'000
Dividend income	41	22
Interest income	116	202
Net foreign exchange gain (loss)	11	(699)
Loss on disposal of property, plant and equipment	-	(53)
Reversal of loss allowance	-	189
Fair value gains on financial assets at FVTPL	115	216
Government grants	409	1,236
Storage charges	711	364
Delivery, transport and handling charges	194	197
Others	412	484
	<u>2,009</u>	<u>2,158</u>

Government grants mainly relate to wage support for local employees under the Jobs Support Scheme ("JSS") from the Singapore government as part of the Government's measures to support businesses during the period of economic uncertainty impacted by COVID-19. The group assessed that there is reasonable assurance that it will comply with the conditions attached to the grants and the grants will be received. The government grants are recognised in profit or loss on a systemic basis over the period of uncertainty in which the related salary costs for which the grants are intended to compensate are recognised as expenses.

In 2021, the group received Job Support Scheme ("JSS") grant, property tax rebate and cash grant from the Singapore Government as part of the Government's relief measures to help businesses deal with the impact from COVID-19. Consequently, the group recognised government grant income of \$334,000 in the profit or loss as other income in relation to the JSS grant.

23 INCOME TAX (CREDIT) EXPENSE

	Group	
	2022	2021
	\$'000	\$'000
Current tax expense	1,771	1,637
Overprovision in prior years	(2,666)	(8)
Deferred tax credit (Note 18)	(94)	(355)
	<u>(989)</u>	<u>1,274</u>

Domestic income tax is calculated at 17% (2021 : 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	
	2022	2021
	\$'000	\$'000
Profit before income tax	5,811	6,844
Income tax expense calculated at 17% (2021 : 17%)	988	1,163
Non-deductible items	1,174	577
Effect of revenue that is exempted from taxation	(443)	(441)
Effect of tax concession	(29)	(29)
Overprovision in prior years	(2,666)	(8)
Others	(13)	12
Income tax (credit) expense	(989)	1,274

24 PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging (crediting):

	Group	
	2022	2021
	\$'000	\$'000
Depreciation of property, plant and equipment	5,099	5,461
Directors' remuneration	945	1,444
Directors' fees	519	455
Retirement gratuity provision ^(a)	2,000	-
Employee benefits expense (including directors' remuneration)	10,168	9,616
Costs of defined contribution plans included in employee benefits expense	585	655
Audit fees paid to auditors of the company		
Current year	89	74
Underprovision in prior year	15	-
Non-audit fees paid to auditors of the company	31	47
Cost of inventories recognised as an expense	30,248	17,432
Net foreign exchange (gain) loss	(11)	699

^(a) The retirement gratuity provision is paid subsequent to year end to the former Managing Director following his cessation as Managing Director.

25 DIVIDENDS PAID

During the financial year, the company paid a final one-tier tax exempt dividend in respect of the previous financial year of 1.5 cents per share (2021 : 1.5 cents per share). The total dividends paid amounted to \$1,139,000 (2021 : \$1,139,000).

In respect of the financial year ended 31 March 2022, the directors propose a dividend of 1.5 cents per share and a special dividend of 1.8 cents per share to commemorate the group's 60th anniversary. The dividends are subject to approval by shareholders at the Annual General Meeting and have not been included as a liability in these financial statements. The total estimated dividend to be paid is \$2,506,000.

26 EARNINGS PER SHARE

Earnings per share has been calculated based on the profit for the year attributable to owners of the company of \$6,800,000 (2021 : \$5,570,000) and 75,945,000 shares (2021 : 75,945,000 shares).

27 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.

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

Segment revenue and results

	Revenue		Profit	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Industrial Chemicals	84,060	62,048	2,940	4,789
Properties	940	954	2,868	2,007
Total	85,000	63,002	5,808	6,796
Interest income			116	202
Dividend income			41	22
Finance costs			(154)	(176)
Profit before income tax			5,811	6,844
Income tax credit (expense)			989	(1,274)
Consolidated revenue and profit for the year	85,000	63,002	6,800	5,570

Revenue reported above represents revenue generated from external customers. There were no intersegment sales.

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, finance costs and income tax.

Segment assets

	2022	2021
	\$'000	\$'000
Industrial Chemicals	89,618	85,294
Properties	62,023	59,247
Total segment assets	151,641	144,541
Unallocated assets	1,009	873
Consolidated assets	152,650	145,414

All assets are allocated to reportable segments other than financial assets at FVTPL (Note 14).

Other segment information

	Industrial Chemicals		Properties	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Capital expenditure	1,850	2,773	-	-
Depreciation	5,059	5,420	40	41
Impairment loss on property, plant and equipment	6,159	3,826	-	-
Fair value gains on investment properties	-	-	2,300	1,300

Information about major customers

44% (2021 : 42%) of the group's Industrial Chemicals revenue is generated from the top 5 (2021 : 5) customers.

89% (2021 : 85%) of the group's Properties revenue is generated from the top 5 (2021 : 5) customers.

Geographical information

The group operates in two principal geographical areas - Singapore and Myanmar.

	Revenue		Non-current assets	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Singapore	80,908	58,010	79,201	79,631
Myanmar	4,092	4,992	3	6,536
	85,000	63,002	79,204	86,167

28 OPERATING LEASE ARRANGEMENTS

The group as a lessor

Operating leases, in which the group is the lessor, relate to investment properties owned by the group with lease terms of between 2 to 4 years.

Maturity analysis of operating lease payments:

	Group	Group
	2022	2021
	\$'000	\$'000
Year 1	904	1,115
Year 2	297	926
Year 3	135	307
Year 4	134	144
Total	1,470	2,492

29 COMMITMENTS

	Group	Group
	2022	2021
	\$'000	\$'000
Estimated expenditure contracted for plant and equipment	2,263	3,500

30 STANDARDS ISSUED BUT NOT EFFECTIVE

At the date of authorisation of these financial statements, the following SFRS(I) pronouncements relevant to the group and company were issued but not effective:

Effective for annual periods beginning on or after 1 January 2022

- Amendments to SFRS(I) 3: *Reference to the Conceptual Framework*
- Amendments to SFRS(I) 1-16: *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to SFRS(I) 1-37: *Onerous Contracts – Cost of Fulfilling a Contract*
- Annual Improvements to SFRS(I)s 2018-2020

Effective for annual periods beginning on or after 1 January 2023

- Amendments to SFRS(I) 1-1: *Classification of Liabilities as Current or Non-current*
- Amendments to SFRS(I) 1-8: *Definition of Accounting Estimates*

Effective date is deferred indefinitely

- Amendments to SFRS(I) 10 *Consolidated Financial Statements* and SFRS(I) 1-28 *Investments in Associates and Joint Ventures: Sale or Contribution of Assets between Investor and its Associate or Joint Venture*

Management anticipates that the adoption of the above SFRS(I)s and amendments to SFRS(I) 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.

FINANCIAL PROFILE

Unit: \$'000

	2022	2021	2020	2019	2018
Revenue	85,000	63,002	62,215	68,820	70,855
Profit before tax	5,811	6,844	4,470	11,366	9,770
Tax credit (expense)	989	(1,274)	(1,114)	(677)	(529)
Profit for the year	6,800	5,570	3,356	10,689	9,241
Attributable to:					
Equity holders of the company	6,800	5,570	3,356	10,689	9,241
ASSETS					
Property, plant and equipment	20,095	29,494	36,881	23,630	27,400
Right-of-use assets	-	-	-	-	-
Investment properties	58,100	55,800	54,500	55,700	47,800
Prepaid land lease	-	-	-	1,870	-
Available-for-sale investments	-	-	-	-	906
Financial assets at fair value through profit or loss ("FVTPL")	1,009	873	657	831	-
Current assets	73,446	59,247	48,342	48,338	43,331
Total assets	152,650	145,414	140,380	130,369	119,437
LIABILITIES					
Deferred tax liabilities	1,906	2,000	2,355	2,860	3,549
Non-current liabilities	3,801	4,543	5,529	9	20
Current liabilities	16,552	14,134	11,884	9,398	7,247
Total liabilities	22,259	20,677	19,768	12,267	10,816
CAPITAL AND RESERVES					
Share Capital	75,945	75,945	75,945	75,945	75,945
Reserves	(9)	(2)	304	11	718
Accumulated profits	54,455	48,794	44,363	42,146	31,958
Total equity	130,391	124,737	120,612	118,102	108,621
Per Share:	cts	cts	cts	cts	cts
Earnings before tax	7.65	9.01	5.89	14.97	12.86
Earnings after tax	8.95	7.33	4.42	14.07	12.17
Dividend (net)	1.5	1.5	1.5	1.5	1.5
Net tangible asset per share	172	164	159	156	143

SHAREHOLDING STATISTICS

AS AT 13 JUNE 2022

ISSUED AND FULLY PAID-UP CAPITAL	\$75,945,399
NUMBER OF SHARES ISSUED	75,945,399
CLASS OF SHARE	ORDINARY SHARES WITH EQUAL VOTING RIGHTS
NO. OF TREASURY SHARES AND SUBSIDIARY HOLDINGS	NIL

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	% OF HOLDERS	NO. OF SHARES	% OF SHARES
1 - 99	66	6.46	2,329	0.00
100 - 1,000	226	22.14	133,072	0.18
1,001 - 10,000	471	46.13	2,082,682	2.74
10,001 - 1,000,000	253	24.78	14,133,913	18.61
1,000,001 and ABOVE	5	0.49	59,593,403	78.47
TOTAL	1,021	100.00	75,945,399	100.00

TWENTY LARGEST SHAREHOLDERS

NAME OF SHAREHOLDERS	NO. OF SHARES	% OF SHARES
S.P. LIM HOLDINGS PTE LTD	34,607,750	45.57
RAFFLES NOMINEES (PTE) LIMITED	13,494,599	17.77
UOB KAY HIAN PTE LTD	5,931,390	7.81
DBS NOMINEES PTE LTD	4,545,996	5.99
LAU GEOK CHENG	1,013,668	1.33
CHEW SENG HOCK	849,950	1.12
CHIA KEE KOON	767,000	1.01
CITIBANK NOMINEES SINGAPORE PTE LTD	504,142	0.66
PHILLIP SECURITIES PTE LTD	391,605	0.52
CHENG HON SANG	384,800	0.51
UNITED OVERSEAS BANK NOMINEES PTE LTD	382,171	0.50
NG KEE SENG	375,800	0.50
YEE LAT SHING	300,000	0.40
THIO DJOE ENG	268,687	0.35
LEE SOON HIAN	258,900	0.34
YEO TECK KIM	250,050	0.33
LIEW PAK CHAN	231,000	0.30
TEO SIOK GHEE	210,122	0.28
GOH CHOON ENG	208,021	0.27
LEE SIOK KUAN	191,200	0.25
TOTAL	65,166,851	85.81

PERCENTAGE OF SHARES HELD BY THE PUBLIC

Based on information available to the Company as at 13 June 2022, approximately 27.64% 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 13 JUNE 2022
(As recorded in the Register of Substantial Shareholders)

NAME OF SUBSTANTIAL SHAREHOLDERS	Direct Interest	%	Deemed Interest	%
S. P. Lim Holdings Pte Ltd	36,507,750 ¹	48.07		
S. P. Lim Trust Limited			36,507,750 ²	48.07
Lim Soo Peng			36,507,750 ²	48.07
The Great Eastern Life Assurance Co Ltd	13,429,304	17.68		
Lion Capital Management Ltd			13,429,304 ³	17.68
Oversea-Chinese Banking Corporation Ltd			13,429,304 ³	17.68
Great Eastern Holdings Ltd			13,429,304 ³	17.68
Batu Kawan Berhad	4,976,000	6.55		
Tan Sri Dato' Seri Lee Oi Hian			4,976,000 ⁴	6.55
Dato' Lee Hau Hian			4,976,000 ⁴	6.55
Arusha Enterprise Sdn Bhd			4,976,000 ⁴	6.55
Di-Yi Sdn Bhd			4,976,000 ⁴	6.55
High Quest Holdings Sdn Bhd			4,976,000 ⁴	6.55
Wan Hin Investments Sdn Berhad			4,976,000 ⁴	6.55

¹ This includes 1,900,000 shares registered in the name of DBS Nominees (S) Pte Ltd.

² S. P. Lim Holdings Pte Ltd ("SPLH") is the investment holding entity under a family trust settled by Mr Lim Soo Peng. The trustee of the trust is S. P. Lim Trust Limited ("SPLT"), whose sole shareholder and sole director is Mr Lim Soo Peng. SPLT, in its capacity as trustee of the trust has a deemed interest in the shares held by SPLH. The sole beneficiary of the trust is Mr Lim Soo Peng who is deemed to be interested in the shares held by SPLH.

³ This represent the 13,429,304 shares held by The Great Eastern Life Assurance Co Ltd.

⁴ This represent the 4,976,000 shares held by Batu Kawan Berhad.

CHEMICAL INDUSTRIES (FAR EAST) LIMITED

(the “Company”)

(Incorporated in the Republic of Singapore)

Registration No. 196200046K

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held by electronic means on Thursday, 21 July 2022 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 2022 together with the Auditors’ Report thereon.
(Resolution 1)
2. To approve Directors’ fee of \$518,622 (2021: \$454,750) for the financial year ended 31 March 2022.
(Resolution 2)
3. To declare a one-tier tax exempt final dividend of 1.5 cents per share and a special one-tier tax exempt dividend of 1.8 cents per share for the financial year ended 31 March 2022 (2021: final dividend of 1.5 cents per share).
(Resolution 3)
4. To re-elect the following Directors who will retire pursuant to Article 96 of the Constitution of the Company:
(i) Mr Lim Chee San (Resolution 4)
(ii) Dr Tay Kin Bee (Resolution 5)
(See Explanatory Note 1)
5. To re-elect the following Directors who will retire pursuant to Article 95(2) of the Constitution of the Company:
(i) Yeo Hock Chye (Resolution 6)
(ii) Lim Yew Nghee (Resolution 7)
(See Explanatory Note 1)
6. 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 8)

AS SPECIAL BUSINESS

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

7. **Authority to allot and issue shares**
 - (a) That pursuant to Section 161 of the Companies Act, Cap. 50, and Rule 806 of 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; and/or
 - (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; and/or
 - (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 and subsidiary holdings), 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 subsidiary holdings), and for the purpose of this Resolution, the total number of issued shares (excluding treasury shares and subsidiary holdings) shall be the Company's total number of issued shares (excluding treasury shares and subsidiary holdings) 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 provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST,
 - (C) any subsequent bonus issue, consolidation or subdivision of the Company's shares,and adjustments in accordance with (A) or (B) are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this resolution, and
 - (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 9)
(See Explanatory Note 2)

8. To transact any other business.

BY ORDER OF THE BOARD

FOO SOON SOO
Company Secretary

4 July 2022

EXPLANATORY NOTES:-

1. Mr Lim Chee San will upon being re-elected as a Director of the Company, remain as Chairman of the Remuneration Committee and member of the Audit and Nominating Committees.

Dr Tay Kin Bee will upon being re-elected as a Director of the Company, remain as Chairman of the Nominating Committee and member of the Audit and Remuneration Committees.

Mr Yeo Hock Chye will upon being re-elected as a Director of the Company, remain as Chairman of the Board and Audit Committee and member of the Nominating and Remuneration Committees.

Mr Lim Yew Nghee will upon being re-elected as a Director of the Company, remain as member of the Audit, Nominating and Remuneration Committees.

Mr Lim Chee San, Dr Tay Kin Bee and Mr Yeo Hock Chye are considered independent for the purpose of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

Mr Lim Yew Nghee is considered non-independent for the purpose of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

In accordance with the Listing Rules of SGX-ST, the information as set out in Apendix 7.4.1 of the Listing Manual in respect of Mr Yeo Hock Chye, Dr Tay Kin Bee, Mr Lim Yew Nghee and Mr Lim Chee San standing for re-election at the forthcoming AGM are provided under "Additional Information on Directors seeking re-election" in this Annual Report.

2. Resolution 9, 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 and subsidiary holdings) 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 and subsidiary holdings) 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 and subsidiary holdings) of the Company for this purpose shall be the total number of issued shares (excluding treasury shares and subsidiary holdings) 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. The Annual General Meeting ("AGM") will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. **Shareholders will be able to watch the AGM proceedings through the Live AGM Webcast. There will not be any physical attendance by shareholders.**

Live Webcast:

2. Shareholders (including investors holding shares through Central Provident Fund ("CPF") and Supplementary Retirement Scheme ("SRS") may watch the AGM proceedings through the Live AGM Webcast by registering at <https://globalmeeting.bigbangdesign.co/cil2022/> (the "Registration Link") by 10.30 a.m. on 18 July 2022 (the "Registration Deadline") to enable the Company to verify their status.
3. Following verification, authenticated shareholders will receive an email by 10.30 a.m. on 20 July 2022 containing a link to access the live audio-visual webcast of the AGM proceedings as well as a telephone number to access the live audio-only stream of the AGM proceedings.
4. Shareholders must not forward the abovementioned link or telephone number to other persons who are not shareholders of the Company and who are not entitled to attend the AGM. This is also to avoid any technical disruptions or overload to the Live AGM Webcast.

Shareholders who register by the Registration Deadline but do not receive an email response by 10.30 a.m. on 20 July 2022 may contact the Company by email to investorrelations@cil.com.sg

Submission of Proxy Forms to Vote:

5. Shareholders who wish to vote at the AGM may submit a proxy form to appoint the Chairman of the AGM to cast votes on their behalf.
6. The proxy form (a copy of which is also attached hereto), duly completed and signed, must be submitted by:
 - (a) mail to the Company's Share Registrars, B.A.C.S. Private Limited, registered office at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896; or
 - (b) email to main@zicoholdings.com

by no later than 10.30 a.m. on 19 July 2022, being 48 hours before the time fixed for the AGM.

7. CPF or SRS investors who wish to vote should approach their respective CPF Agent Bank or SRS Operators to submit their votes at least seven (7) working days before the AGM (i.e. by 5.00 p.m. on 11 July 2022) in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to appoint the Chairman of the AGM to vote on their behalf by the cut-off date.
8. **Please note that shareholders will not be able to vote through the live webcast and can only vote with their proxy forms which are required to be submitted in accordance with the foregoing paragraphs.**

Submission of Questions:

9. Shareholders may submit questions relating to the items on the agenda of the AGM to investorrelations@cil.com.sg stating their names and identification number for verification. All questions must be submitted by 10.30 a.m. on 12 July 2022.
10. The Company will endeavour to address the substantial and relevant questions at or before the AGM. The responses to such questions from shareholders, together with the minutes of the AGM, will be posted on the SGXNet and the Company's website within one month after the date of the AGM. The Company will endeavour to address the substantial and relevant questions at or before the AGM. The responses to such questions from shareholders will be posted on SGXNET by 17 July 2022 at 10.30 a.m. The minutes of the AGM, will be posted on the SGXNet and the Company's website within one month after the date of the AGM.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing the Chairman of the AGM to attend, speak and vote at the AGM and / or any adjournment thereof, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of the appointment of proxies for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and / or guidelines.

NOTICE OF BOOKS CLOSURE

NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members of Chemical Industries (Far East) Limited (the "**Company**") will closed on 29 July 2022 after 5.00 p.m. for the preparation of dividend warrants.

Duly completed registrable transfers received by the Company's Share Registrar, B.A.C.S. Private Limited of 77 Robinson Road, #06-03 Robinson 77, Singapore 068896 up to 5.00 p.m. on 29 July 2022 will be registered to determine shareholders' entitlements to the proposed final dividend. Members whose securities accounts with The Central Depository (Pte) Limited credited with shares in the Company at 5.00 p.m. on 29 July 2022 will be entitled to such proposed final dividends.

Payment of the proposed final dividends, if approved by shareholders at the Annual General Meeting to be held on 21 July 2022 will be paid on 12 August 2022.

BY ORDER OF THE BOARD

FOO SOON SOO
Company Secretary

4 July 2022

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CHEMICAL INDUSTRIES (FAR EAST) LIMITED.

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

PROXY FORM ANNUAL GENERAL MEETING

IMPORTANT

1. This Proxy Form is not valid for use by investors who hold shares in the Company through relevant intermediaries (as defined in Section 181 of the Companies Act (Chapter 50 of Singapore), including CPF and SRS investors, and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF and SRS investors who wish to appoint the Chairman of the AGM as proxy to vote on their behalf should approach their respective CPF Agent Banks and SRS Operators to submit their voting instructions at least seven (7) working days before the AGM (i.e. by 5.00 p.m. 11 July 2022.) Other investors holding shares in the Company through relevant intermediaries who wish to vote should approach their relevant intermediaries as soon as possible to specify voting instructions.

PERSONAL DATA PRIVACY

2. By submitting this Proxy Form, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 4 July 2022.

I/We, _____
of _____

being *a member/members of Chemical Industries (Far East) Limited (the “**Company**”), hereby appoint the Chairman of the Annual General Meeting (“**AGM**”) of the Company as my/our proxy/proxies, to vote for me/us on my/our behalf at the AGM of the Company to be held by electronic means on Thursday, 21 July 2022 at 10.30 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against or abstain from voting on the resolutions to be proposed at the Annual General Meeting in the spaces provided hereunder.

In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the AGM as your proxy for that resolution will be treated as invalid.

Please indicate your vote “For” or “Against” or “Abstain” with a tick [✓] or cross [X] within the box provided.

No.	Ordinary Resolutions	No. of Votes or to indicate with a tick[✓] or cross [X] ¹		
		For	Against	Abstain
	Ordinary Business			
1.	To receive and adopt the Audited Financial Statements of the Company			
2.	To approve Directors’ fee			
3	To declare final and special dividends for the financial year ended 31 March 2022			
4.	To re-elect Mr Lim Chee San as Director			
5.	To re-elect Dr Tay Kin Bee as Director			
6.	To re-elect Mr Yeo Hock Chye as Director			
7.	To re-elect Mr Lim Yew Nghee as Director			
8.	To re-appoint Deloitte & Touche LLP as Auditors of the Company			
	Special Business			
9.	To authorize Directors to issue and allot shares pursuant to Section 161 of the Companies Act, Chapter 50.			

¹All resolutions would be put to vote by poll in accordance with the listing rules of Singapore Exchange Securities Limited. Please tick [✓] or cross [X] or indicate the number of votes within the box provided. A tick or cross would represent you are exercising all your votes “For” or “Against” or “Abstain” from voting on the relevant resolution.

Dated this _____ day of _____ 2022.

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

Total Number of Shares Held

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IMPORTANT: PLEASE READ NOTES BEFORE COMPLETING THIS PROXY FORM

NOTES:

1. This instrument appointing the Chairman of the AGM as proxy must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or duly authorised officer.
2. The instrument appointing the Chairman of the AGM as proxy, together with the power of attorney or other authority (if any) under which it is signed, or notarially certified copy thereof, must be (a) submitted by mail to the registered office of the Company's Share Registrar B.A.C.S. Private Limited at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896; or (b) submitted by email to main@zicoholdings.com not later than 48 hours before the time set for the meeting.
3. 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.
4. The Company shall be entitled to reject this instrument of proxy 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 of proxy 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.
5. A Depositor shall not be regarded as a member of the Company entitled to attend the Annual General Meeting unless his name appears on the Depository Register 72 hours before the time set for the Annual General Meeting.
6. Personal data privacy: By submitting this instrument of proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM.

fold here

fold here

Affix
Postage
Stamp

CHEMICAL INDUSTRIES (FAR EAST) LIMITED.

c/o B.A.C.S. Private Limited

77 Robinson Road #06-03

Robinson 77

Singapore 068896