



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

Annual General Meeting

CEO Presentation

July 28, 2025





Agenda

FY 25 EHS Performance

Sustainability ESG Scorecard

Sustainability Initiatives

- **Solar Power**
- **Ecovadis Silver & Other Projects**

Market & Other Challenges

CIL Keys to Profitability

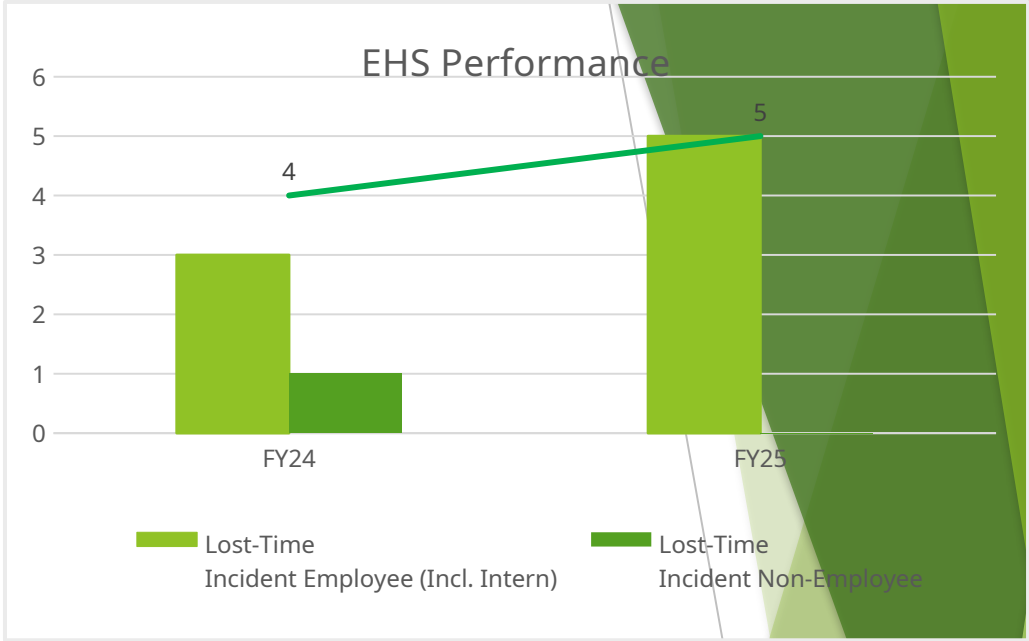
Growth - \$150M contract

Onerous \$6.2 M Contract

New Ultrapure Wet Chemicals for Semiconductor

EHS Performance

Type	Cat.	FY2024	FY2025
Lost-Time Incident	Employee (Incl. Intern)	3	5
	Non-Employee	1	0
	Total	4	5



Summary for FY2025:

- 1. Higher LTI compared to FY2024. Total 5 LTI including 1 high-consequence injury due to chemical contact
- 2. Recognition: 3 SCIC Achievement Awards.
- 3. Attained BizSafe level Star and SS651:2019 certification



New Core Value – First in Safety



FIRST IN SAFETY

Safety comes first in all our operations, cybersecurity, and emergency preparedness. We protect our people and safeguard digital systems to support WSH and SGSecure efforts for a safe and resilient workplace.



SUSTAINABILITY: FY2025 ESG Targets Scorecard



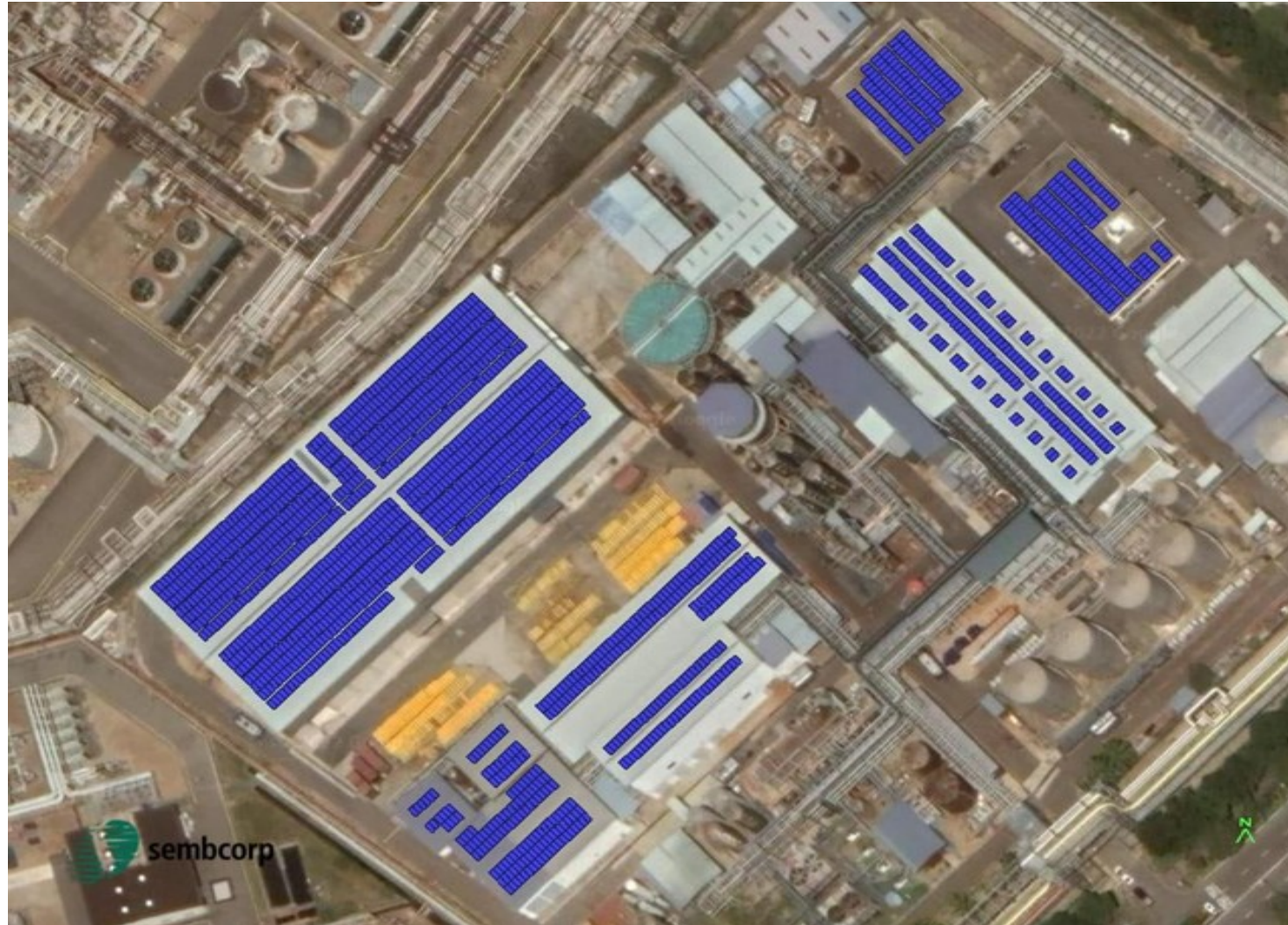
Focus - Safety & Water

	Environment Performance 3% energy intensity reduction ✓ 3% water efficiency index improvement ✗ 3% GHG intensity reduction ✓
	Social Performance - Zero fatality or high consequence injury ✗ - Total recordable injury (TRI) performance ✗ 10 hrs. of training per employee per annum ✓
	Governance Performance Zero corruption and fraud incident ✓



Completed Green Energy Initiatives

Solar Power Panels



Solar power panels installed at both our Sakra & Samulun plants are fully operational

Analysis of Solar power generation			
No	Item	Data	Unit
1	Annual Energy generation from Solar panels	1.41	GWh
		5.08	TJ
2	Annual carbon abatement achieved	582	tCO2e



Ecovadis Silver Sustainability Rating -



A sustainability milestone: 'Silver' EcoVadis Rating achieved with overall score of 69/100 and at the 86th percentile of all companies assessed by Ecovadis! Our commitment to higher standards continues, creating positive environmental and societal impact. Anticipate more milestones as our journey persists.

Energy Savings

Use Energy Efficient
IE3 & IE4 Motors!



Water Savings



Pump Mechanical Seals

Seawater to Brine/Water



CIL will continually assess renewable energy & water solutions towards greater sustainability for the future





Market & other challenges:

Intense competition from Malaysia producers with low electricity tariffs (65% lower compared to SG since Ukraine/Russia war)

PUB demand reduced due self -sufficiency of 5X desalination plants

Weak demand from export driven Industrial customers due to weak global economy

Latest US tariff – many customers expressed concerns

Singapore carbon tax to be raised from current S\$25/tCO₂e to \$45/tCO₂e in 2026, Malaysia is planning to start in 2026 but unlikely to be at SG level

CIL Keys to Profitability

Organization rightsizing underway

Manufacturing footprint consolidation in place pending JTC's approval on lease extension

Resolution of onerous contract

New Business Development – Semiconductor

Operational Excellence – Lean Six Sigma

New strategic alliances





GROWTH:
10 years
\$150 million
contract

- Existing customer new plant expansion in industrial segment
- Exclusive supply via new dedicated pipeline
- Price formula peg to index
- Pipeline capex recovery via monthly delivery charges

**Contract Executed on 24th July
2025**



Onerous Contract

**\$6.2 M
Provision**

- Ongoing discussion going positively
- Supported by external legal counsel
- New pricing formula for pass through cost
- Provision - worst case scenario if no agreement is reached and contract terminated

**Both parties wants amicable
resolution**

New Ultrapure Wet Chemicals Distribution to Semiconductor

Global Market:

Wet chemicals for semicon: S\$3.1B (2025), growing at 6% CAGR (Source: JLL).

SEA Market Size

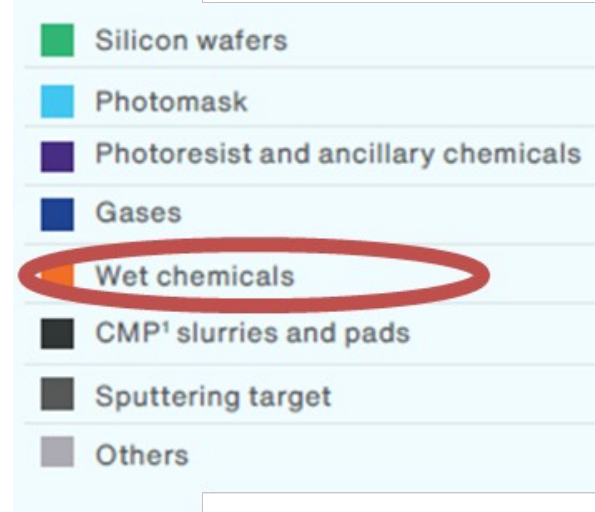
- Singapore's Share: 11% (S\$336M/year) with fabs like SSMC, GlobalFoundries, Siltronic.
- Malaysia: S\$217M wet chem market (7% global share).
- Vietnam: "Anything but China" (ABC) strategy – Intel expanding in Ho Chi Minh City.

Current Wet Chemicals Market dominated by MNCs from US, EU, Kr & TW



- Semiconductor companies openness to qualify alternate products due to cost down

Pivoting towards High Tech Semiconductor Industry



Source: Supply Chain. April 2021



Source: BCG x SIA. Strengthening The Global Semiconductor Supply Chain. April 2021

Partnering one of the largest wet and functional chemical manufacturers in their home market

