



**Far East Group Limited**  
(Company Registration No. 196400096C)  
(Incorporated in the Republic of Singapore on 18 March 1964)

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**MATERIAL VARIANCES BETWEEN THE UNAUDITED FINANCIAL STATEMENTS AND THE AUDITED FINANCIAL STATEMENTS OF THE GROUP FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

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The Board of Directors (the “**Board**” or “**Directors**”) of Far East Group Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the announcement on the unaudited full year financial statements for the financial year ended 31 December 2023 (“**FY2023**”) dated 29 February 2024 (“**Announcement**”).

Pursuant to Rule 704(5) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited, the Board wishes to announce the material variances between the unaudited financial statements of the Group for FY2023 as set out in the Announcement and the audited financial statements of the Group for FY2023 (“**Audited Financial Statements**”).

Details of the material variances and reasons for such variances are set out in the explanatory notes below.

**Consolidated Income Statement for FY2023**

	<b>Unaudited FY2023 (S\$'000)</b>	<b>Audited FY2023 (S\$'000)</b>	<b>Variance Increase/ (Decrease) (S\$'000)</b>	<b>Notes</b>
Revenue	79,286	79,559	273	1
Impairment losses on trade and other receivables and contract assets	105	(206)	(311)	1
Share of results of associates	341	875	534	2
Tax expense	(766)	(374)	392	3

**Consolidated Statement of Comprehensive Income for FY2023**

	<b>Unaudited FY2023 (S\$'000)</b>	<b>Audited FY2023 (S\$'000)</b>	<b>Variance Increase/ (Decrease) (S\$'000)</b>	<b>Notes</b>
Foreign currency translation	(1,175)	(826)	349	2

**Consolidated Balance Sheet as at 31 December 2023**

	<b>Unaudited FY2023 (S\$'000)</b>	<b>Audited FY2023 (S\$'000)</b>	<b>Variance Increase/ (Decrease) (S\$'000)</b>	<b>Notes</b>
Investment in associates	8,031	8,910	879	2
Deferred tax assets	1,135	1,511	376	3
Trade receivables	16,783	15,585	1,198	4
Contract assets	9,173	10,337	(1,164)	4
Asset revaluation reserve	(336)	-	336	2

**Consolidated Cash Flow Statement for FY2023**

	<b>Unaudited FY2023 (S\$'000)</b>	<b>Audited FY2023 (S\$'000)</b>	<b>Variance Increase/ (Decrease) (S\$'000)</b>	<b>Notes</b>
Impairment losses on trade and other receivables and contract assets	(105)	206	311	1
Share of results of associates	(341)	(875)	(534)	2
Operating cash flows before working capital changes:				
- Trade receivables	(102)	1,249	1,351	4, 5
- Contract assets	1,902	465	(1,437)	1, 4
- Amounts due from associates (trade)	516	336	(180)	5
Bank deposit pledged	200	-	(200)	6
Cash and cash equivalents	6,392	6,192	200	6

**Notes:**

1. Allowance for expected credit losses ("ECL") on contract assets of S\$273,000 was recognised in the prior year and the crystallisation of this loss in the current year should have been written off against the allowance for ECL instead of recording against revenue. Further, an additional amount of S\$38,000 was recorded for allowance for ECL recognised on trade receivables.
2. The additional share of results of associates of S\$534,000 arose from the finalisation of associates' FY2023 financial statements. In addition, a reversal of asset revaluation reserve of S\$336,000 to align the accounting policies of an associate with those of the Group, and S\$9,000 foreign currency translation reserve were recognised.
3. Recognition of deferred tax assets of S\$376,000 pertains to unutilised tax losses of a subsidiary. In addition, withholding tax on unremitted earnings of associates and current tax provision of a subsidiary were reduced by S\$16,000.
4. Trade receivables amounting to S\$1,164,000 was reclassified to contract assets and an additional allowance for ECL on trade receivables of S\$38,000 was recognised as explained in Note 1 above.
5. An allowance for ECL on amounts due from associates (trade) was previously classified under trade receivables.
6. A bank deposit that was pledged as at year end was reinstated.

These adjustments and reclassifications were recorded upon finalisation of the audit.

Shareholders are advised to read the Audited Financial Statements in the Company's annual report for FY2023 which has been made available to the shareholders on SGXNet and the Company's website at [www.fareastgroup.com.sg](http://www.fareastgroup.com.sg).

**By Order of the Board**

Loh Mun Yew  
Chief Executive Officer and Executive Director  
8 April 2024

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*This announcement has reviewed by the Company's sponsor, SAC Capital Private Limited ("**Sponsor**"). This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made, or reports contained in this announcement.*

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