

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FULL YEAR ENDED 31 DECEMBER 2014

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PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS ENDED 31 DECEMBER 2014 (“FY2014”)

1(a) (i) Combined statement of comprehensive income (for the Group) together with a comparative statement for the corresponding period of the immediately preceding financial year

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	← Group →		Change +ve/(-ve) %
	Unaudited FY2014 S\$'000	Audited FY2013 S\$'000	
Revenue	36,670	35,634	2.9
Cost of sales	(24,971)	(24,114)	3.6
Gross profit	11,699	11,520	1.6
Other operating income	1,143	1,045	9.4
Distribution and selling expenses	(3,903)	(3,542)	10.2
Administrative expenses	(7,077)	(5,426)	30.4
Other operating expenses	(35)	(159)	(78.0)
	(11,015)	(9,127)	20.7
Profit from operations	1,827	3,438	(46.9)
Finance expenses	(347)	(222)	56.3
Interest income	16	22	(27.3)
Profit before tax	1,496	3,238	(53.8)
Tax expense	(282)	(414)	(31.9)
Profit for the year	1,214	2,824	(57.0)
Other comprehensive income			
Exchange differences on translating foreign operations	(56)	(35)	60.0
Total comprehensive income for the year	1,158	2,789	(58.5)
Profit for the year attributable to :-			
Equity holders of the Company	1,268	2,831	(55.2)
Non-controlling interests	(54)	(7)	n.m
	1,214	2,824	(57.0)
Total comprehensive income for the year attributable to :-			
Equity holders of the Company	1,211	2,771	(56.3)
Non-controlling interests	(53)	18	n.m
	1,158	2,789	(58.5)

n.m : not meaningful

1(a)(ii) Additional information for the income statement

The Group's total comprehensive income for the financial year is derived after charging/(crediting):

	← GROUP →		
	Unaudited FY2014 S\$'000	Audited FY2013 S\$'000	Change +ve/(-ve) %
Dividend income from unquoted investment	(369)	(417)	(11.5)
Interest income	(16)	(22)	(27.3)
Interest expenses	347	222	56.3
Inventories written back, net	(378)	(572)	(33.9)
Inventory written off	-	22	(100.0)
Allowance for doubtful trade debts	50	-	n.m
Allowance for doubtful trade debts written back	(3)	(61)	(95.1)
Allowance for doubtful trade debts from an affiliated company written back	-	(13)	(100.0)
Fixed assets written off	3	6	(50.0)
Loss on disposal of fixed assets, net	4	4	-
Depreciation of fixed assets	1,248	824	51.5
Amortisation of land use right	46	23	100.0
Amortisation of intangible asset	89	44	102.3
Foreign exchange (gain)/loss, net	(69)	149	n.m

n.m.: not meaningful

1(b) (i) A Statement of Financial Position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year:

STATEMENT OF FINANCIAL POSITION

	← Group →		← Company →	
	Unaudited 31 Dec 2014 S\$'000	Audited 31 Dec 2013 S\$'000	Unaudited 31 Dec 2014 S\$'000	Audited 31 Dec 2013 S\$'000
Non-current assets				
Fixed assets	17,316	16,375	7,320	6,153
Land use right	2,129	2,166	-	-
Intangible assets	797	872	-	-
Investments in subsidiary companies	-	-	15,202	15,078
Unquoted investments	90	89	-	-
Other receivables	13	26	-	-
Deferred tax assets	131	140	-	-
Total non-current assets	<u>20,476</u>	<u>19,668</u>	<u>22,522</u>	<u>21,231</u>
Current assets				
Inventories	11,418	10,386	5,485	5,017
Trade debtors	7,419	7,618	3,717	4,055
Other receivables	837	1,432	64	755
Deposits	153	118	23	14
Prepayments	614	1,127	472	830
Due from subsidiary companies (trade)	-	-	1,225	1,900
Due from subsidiary companies (non-trade)	-	-	541	566
Due from affiliated companies (non-trade)	-	30	-	3
Tax recoverable	409	287	8	-
Fixed deposits pledged to bank	437	431	-	-
Fixed deposits	6	704	6	6
Cash and bank balances	5,694	6,154	2,664	3,376
Total current assets	<u>26,987</u>	<u>28,287</u>	<u>14,205</u>	<u>16,522</u>
Current liabilities				
Trade payables	1,953	2,412	1,107	1,254
Trust receipts and bills payable (secured)	3,293	4,772	2,998	4,617
Gross amount due to customers for contract-work-in-progress	15	-	15	-
Other creditors	641	497	275	258
Accruals and other liabilities	2,484	2,202	1,382	850
Provision for warranty	28	157	28	157
Dividend payable	143	108	112	108
Due to subsidiary companies (trade)	-	-	1,053	1,708
Due to subsidiary companies (non-trade)	-	-	130	158
Due to affiliated company (trade)	39	39	-	1
Due to affiliated company (non-trade)	155	154	-	5
Provision for income tax	238	340	-	207
Finance lease obligations (current)	428	172	416	20
Term loans (current)	4,292	2,300	3,124	1,499
Total current liabilities	<u>13,709</u>	<u>13,153</u>	<u>10,640</u>	<u>10,842</u>
Net current assets	13,278	15,134	3,565	5,680
Non-current liabilities				
Deferred tax liabilities	150	84	85	13
Finance lease obligations (non-current)	455	12	447	-
Term loans (non-current)	3,772	5,869	3,772	5,268
Total non-current liabilities	<u>4,377</u>	<u>5,965</u>	<u>4,304</u>	<u>5,281</u>
Total net assets	29,377	28,837	21,783	21,630
Share capital and reserves				
Share capital	19,264	19,264	19,264	19,264
Accumulated profits	9,033	8,383	2,197	2,044
Capital reserve	322	322	322	322
Translation reserve	(1,553)	(1,496)	-	-
	<u>27,066</u>	<u>26,473</u>	<u>21,783</u>	<u>21,630</u>
Non-controlling interests	2,311	2,364	-	-
Total equity	<u>29,377</u>	<u>28,837</u>	<u>21,783</u>	<u>21,630</u>

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand and amount repayable after one year

	As at 31 December 2014		As at 31 December 2013	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Repayable in one year or less, or on demand	8,013	-	7,244	-
Repayable after one year	4,227	-	5,881	-
Total borrowings	12,240	-	13,125	-

Details of any collateral

The above borrowings are secured by legal mortgage over the freehold and leasehold land and buildings, motor vehicles, and plant and machinery of the Group.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

CONSOLIDATED STATEMENT OF CASH FLOWS

← **GROUP** →

Year Ended 31 December

2014 2013
S\$'000 S\$'000

Cash flows from operating activities

Profit before tax	1,496	3,238
Adjustments:		
Allowance for doubtful trade debts	50	-
Allowance for doubtful trade debts written back	(3)	(61)
Allowance for doubtful debts due from an affiliated company written back	-	(13)
Inventories written back, net	(378)	(572)
Fixed asset written off	3	6
Loss on disposal of fixed assets, net	4	4
Depreciation of fixed assets	1,248	824
Amortisation of land use right	46	23
Amortisation of intangible assets	89	44
Warranty written back	(109)	(168)
Interest expense	347	222
Interest income	(16)	(22)
Translation difference	(69)	(167)

Operating profit before working capital changes	2,708	3,358
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(Increase)/decrease in:

Trade debtors	152	(439)
Other receivables	608	(498)
Deposits and prepayments	478	(242)
Inventories	(654)	2,179

Increase/(decrease) in:

Trade payables	(459)	(509)
Gross amount due from customers for contract work-in-progress	15	(105)
Other creditors	250	-
Accruals and other liabilities	262	(211)
Due to affiliated companies, net	31	(1,503)

Cash generated from operations	3,391	2,030
Interest paid	(347)	(222)
Income taxes paid	(431)	(523)
Income taxes refunded	-	296
Interest income	16	22

Net cash generated from operating activities	2,629	1,603
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Cash flows from investing activities

Purchase of fixed assets	(895)	(1,748)
Acquisition of subsidiary, net of cash acquired	(8)	(8,631)

Net cash used in investing activities	(903)	(10,379)
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← **GROUP** →
Year Ended 31 December
2014 **2013**
S\$'000 **S\$'000**

Cash flows from financing activities

Dividends paid	(629)	(380)
Fixed deposits pledged to bank	(6)	(100)
(Repayment)/draw down of trust receipts and bills payable	(1,479)	1,262
Repayment of finance lease obligations	(699)	(68)
Repayment of term loans	(2,024)	(2,412)
Proceeds from term loans	1,919	8,101
Net proceeds from issuance of shares	-	5,424
Payment of share issuance expenses	-	(116)

Net cash (used in)/generated from financing activities

(2,918)	11,711
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Net (decrease)/increase in cash and cash equivalents

Effect of exchange rate changes on cash and cash equivalents	(1,192)	2,935
Cash and cash equivalents at beginning of year	34	48
	6,858	3,875

Cash and cash equivalents at end of year

5,700	6,858
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Cash and cash equivalents consist of the following :

Cash and bank balances	5,694	6,154
Fixed deposits	443	1,135
Cash and cash equivalents	6,137	7,289
Fixed deposits pledged to bank	(437)	(431)
	5,700	6,858

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Attributable to shareholders of the company						
	Equity, Total	Equity attributable to owners of the parent, total	Share capital	Accumulated profits	Capital reserve	Translation reserve	Non- controlling interests
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
GROUP							
Balance at 1 January 2014	28,837	26,473	19,264	8,383	322	(1,496)	2,364
Profit for the year	1,214	1,268	-	1,268	-	-	(54)
Other comprehensive income	(56)	(57)	-	-	-	(57)	1
Total comprehensive income	1,158	1,211	-	1,268	-	(57)	(53)
Dividend paid	(618)	(618)	-	(618)	-	-	-
Balance at 31 December 2014	29,377	27,066	19,264	9,033	322	(1,553)	2,311
Balance at 1 January 2013	18,970	18,785	13,956	5,943	322	(1,436)	185
Profit for the year	2,824	2,831	-	2,831	-	-	(7)
Other comprehensive income	(35)	(60)	-	-	-	(60)	25
Total comprehensive income	2,789	2,771	-	2,831	-	(60)	18
Acquisition of subsidiary	2,161	-	-	-	-	-	2,161
Issuance of shares	5,424	5,424	5,424	-	-	-	-
Share issuance expenses	(116)	(116)	(116)	-	-	-	-
Dividend paid	(391)	(391)	-	(391)	-	-	-
Balance at 31 December 2013	28,837	26,473	19,264	8,383	322	(1,496)	2,364
COMPANY							
Balance at 1 January 2014	21,630	21,630	19,264	2,044	322	-	-
Profit for the year	771	771	-	771	-	-	-
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income	771	771	-	771	-	-	-
Dividend paid	(618)	(618)	-	(618)	-	-	-
Balance at 31 December 2014	21,783	21,783	19,264	2,197	322	-	-
Balance at 1 January 2013	14,708	14,708	13,956	430	322	-	-
Profit for the year	2,005	2,005	-	2,005	-	-	-
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income	2,005	2,005	-	2,005	-	-	-
Issuance of shares	5,424	5,424	5,424	-	-	-	-
Share issuance expenses	(116)	(116)	(116)	-	-	-	-
Dividend paid	(391)	(391)	-	(391)	-	-	-
Balance at 31 December 2013	21,630	21,630	19,264	2,044	322	-	-

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-back, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares or cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

There was no change in the Company's issued and paid-up share capital from 30 June 2014 to 31 December 2014.

The Company does not have any convertible securities.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at end of the current financial period and as at the immediately preceding year.

The total number of issued shares (excluding treasury shares) as at 31 December 2014 was 108,480,000 (As at 31 December 2013: 108,480,000).

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period

There were no sales, transfers, disposal, cancellation and/or use of treasury shares for FY2014.

2. Whether the figures have been audited, or review and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or equivalent standard)

The figures have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualification or emphasis of matter)

Not applicable.

4. Whether the same accounting policies and methods of computations as in the issuer's most recent audited annual financial statements have been applied

The Group has applied the same accounting policies and methods of computation in the preparation of the current financial reporting period as those applied in the preparation of the audited financial statements for FY2013.

The Group has adopted the applicable new and revised Singapore Financial Reporting Standards ("FRS") and Interpretations of Financial Reporting Standards ("IFRS") which became effective for the accounting periods beginning on or after 1 January 2014. The adoption of these new and revised FRS and IFRS is not expected to result in material adjustments to the financial position, results of operations or cash flows of the Group for FY2014.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

Not applicable.

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year

	GROUP	
	FY2014	FY2013
Net profit after tax attributable to equity holders of the Company (S\$'000)	1,268	2,831
Weighted average number of ordinary shares ('000)	108,480	72,419
Earning per share - basic/fully diluted (cents)	1.17	3.91

The Company has no dilutive equity instruments as at 31 December 2014 and 31 December 2013.

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year

	GROUP		COMPANY	
	As at	As at	As at	As at
	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
Net asset value (S\$'000)	27,066	26,473	21,783	21,630
Number of ordinary shares ('000)	108,480	108,480	108,480	108,480
Net asset value per share (cents)	25.0	24.4	20.1	19.9

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, cost, and earning of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

Review of performance

Revenue

Revenue increased by S\$1.1 million or 2.9%, from S\$35.6 million in FY2013 to S\$36.7 million in FY2014. This was mainly due to an increase in revenue contribution of S\$3.4 million from Eden Refrigeration Manufacturing (Jiangsu) Co., Ltd. ("**ERM**"), a company that was acquired by the Group in 2H2013 (the "**ERM Acquisition**"). The higher ERM revenue was partially offset by a slowdown in projects from the Singapore and Malaysia markets. Excluding the contributions from ERM, the Group's revenue would have decreased by S\$2.4 million to S\$28.8 million in FY2014 from S\$31.2 million in FY2013.

Revenue by Business Segment	GROUP				Change +ve/(-ve) %
	FY2014 S\$'000	% Contribution	FY2013 S\$'000	% Contribution	
Residential and commercial (air-conditioning)	5,069	13.8%	6,339	17.8%	(20.0)
Oil, marine and gas (refrigeration and air-conditioning)	3,249	8.9%	3,231	9.1%	0.6
Commercial and light industrial (refrigeration)	28,352	77.3%	26,064	73.1%	8.8
	<u>36,670</u>	<u>100%</u>	<u>35,634</u>	<u>100%</u>	

Revenue from commercial and light industrial (refrigeration) segment and oil, marine and gas (refrigeration and air-conditioning) segment increased by S\$2.3 million and S\$18,000 in FY2014, respectively. Revenue from residential and commercial (air-conditioning) segment decreased by S\$1.3 million in FY2014. This included revenue contribution from ERM which had, in FY2014 as compared to FY2013, recorded an increase of S\$3.0 million and S\$0.5 million in the commercial and light industrial (refrigeration) segment, and the oil, marine and gas (refrigeration and air-conditioning) segment respectively, partially offset by a decrease of S\$0.1 million in the residential and commercial (air-conditioning) segment.

Gross profit and gross profit margin

In line with the increase in revenue, the Group's gross profit increased by S\$0.2 million or 1.6%, from S\$11.5 million in FY2013 to S\$11.7 million in FY2014. The Group's gross profit margin decreased by 0.4 percentage points from 32.3% in FY2013 to 31.9% in FY2014. The decrease was mainly due to lower margin from bulk (high volume) sales to customers.

Other operating income

Other operating income increased by S\$0.1 million, from S\$1.0 million in FY2013 to S\$1.1 million in FY2014. The increase was mainly due to income from partial sale of Green Point Singapore Pte Ltd's business of S\$0.3 million in FY2014, partially offset by a one-off income of S\$0.2 million relating to insurance claims in FY2013.

Distribution and selling expenses

Distribution and selling expenses increased by S\$0.4 million, from S\$3.5 million in FY2013 to S\$3.9 million in FY2014 due to consolidation of ERM's distribution and selling expenses of S\$0.4 million following the acquisition of ERM in 2H2013.

Administrative expenses

Administrative expenses increased by S\$1.7 million, from S\$5.4 million in FY2013 to S\$7.1 million in FY2014 due to (i) consolidation of ERM's administrative expenses of S\$0.8 million following its acquisition in 2H2013; (ii) higher payroll costs of approximately S\$0.5 million; (iii) increase in rental expenses of approximately S\$0.1 million; (iv) provision for doubtful debts of approximately S\$0.1 million; and (v) increase in other expenses of S\$0.2 million.

Other operating expenses

Other operating expenses decreased by approximately S\$0.1 million mainly due to foreign exchange gain in FY2014.

Finance expenses

Finance expenses increased by approximately S\$0.1 million mainly due to the additional borrowings during the year.

Review of Financial Position

Non-current assets

Non-current assets increased by approximately S\$0.8 million or 4%, from approximately S\$19.7 million as at 31 December 2013 to approximately S\$20.5 million as at 31 December 2014.

The increase was mainly due to the acquisition of fixed assets of approximately S\$2.2 million. The increase was partially offset by depreciation and amortisation costs of approximately S\$1.4 million.

Current assets

Current assets decreased by approximately S\$1.3 million or 4.6%, from approximately S\$28.3 million as at 31 December 2013 to approximately S\$27.0 million as at 31 December 2014.

The decrease was mainly due to (i) decrease in cash and bank balances of S\$1.1 million; (ii) decrease in trade and other debtors by S\$0.8 million; and (iii) decrease in prepayments of S\$0.5 million. The decrease was partially offset by (a) increase in inventories of S\$1.1 million; and (b) increase in tax recoverable of S\$0.1 million.

Current liabilities

Current liabilities increased by approximately S\$0.5 million or 4.2%, from approximately S\$13.2 million as at 31 December 2013 to approximately S\$13.7 million as at 31 December 2014.

The increase was mainly due to (i) increase in borrowings of approximately S\$0.8 million; and (ii) increase in accruals and other liabilities of approximately S\$0.3 million. The increase was partially offset by (a) decrease in trade payables of approximately S\$0.5 million; and (b) decrease in provision for warranty of approximately S\$0.1 million.

Non-current liabilities

Non-current liabilities decreased by approximately S\$1.6 million or 27%, from approximately S\$6.0 million as at 31 December 2013 to approximately S\$4.4 million as at 31 December 2014, mainly due to decrease in long term borrowings of approximately S\$1.7 million. The decrease was partially offset by increase in deferred tax liabilities of S\$0.1 million.

Equity

Share capital and reserves increased by approximately S\$0.6 million or 2.2%, from approximately S\$28.8 million as at 31 December 2013 to approximately S\$29.4 million as at 31 December 2014, mainly due to retained profits generated for the year amounting to S\$0.6 million.

Review of Cash Flow Statement

Net cash generated from operating activities before changes in working capital was approximately S\$2.7 million. Net cash used in working capital amounted to approximately S\$79,000. This was mainly due to cash inflows arising from (i) trade receivables of approximately S\$0.2 million; (ii) other receivables of approximately S\$0.6 million; (iii) deposits and prepayments of S\$0.5 million; (iv) accruals and other liabilities of S\$0.2 million; and (v) other creditors of S\$0.3 million. These were partially offset by cash outflows arising from (a) inventories of approximately S\$0.7 million; and (b) trade payables of approximately S\$0.5 million. The Group paid bank interest of approximately S\$0.3 million and income tax of approximately S\$0.4 million.

Net cash used in investing activities to purchase fixed assets was S\$0.9 million.

Net cash used in financing activities of S\$2.9 million included (i) repayment of term loans of S\$2.0 million; (ii) finance leases of S\$0.7 million; (iii) trust receipts of S\$1.5 million; and (iv) dividend payout of S\$0.6 million which were partially offset by proceeds from term loans of S\$1.9 million.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not applicable. No forecast or prospect statement has been previously disclosed.

10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

According to a report published by Research and Markets, the global cold chain market is expected to reach a value of US\$2.3 billion by 2019, growing at a CAGR of 15.6%, driven largely by the Asia-Pacific region, especially China. Growth opportunities also abound in emerging markets due to an increase in consumption of perishable foods and governmental supports.

The Group had outlined a three-pronged strategy announced on 30 July 2014, which includes increasing revenue contribution from China, moving up the value chain through higher-margin projects such as consultancy services and developing specialized products for niche markets as well as expanding its distribution networks principally in China and Southeast Asia.

In line with this, in October 2014, the Group commenced operations in Vietnam, one of the larger seafood processing countries in the world and has a sizeable demand for refrigeration and cooling solutions. Capitalizing on the growing demand there, the Group intends to expand its distribution network through increasing dealerships as well as direct provision to various key contractors, to drive top-line growth. The products to be distributed include the Group's proprietary Eden condensing units and heat exchangers, as well as a wide range of agency brands.

The Group continues to scale up its manufacturing operations in China and expects revenue contribution from its 84.25%-held subsidiary, ERM, to increase from the 21% which was achieved in FY2014. This growth is expected to be driven by a confluence of factors including increased demand for cold chain infrastructure as more hypermarkets and fast-food chains open up amidst increasing urbanisation in second and third-tier cities. The Group is also on the lookout for merger and acquisition opportunities to extend its value proposition in the cooling systems market or to extend its distribution network in China. The Group sees opportunities to increase its cold chain activities in China which will lead to a higher utilisation rate and greater economies of scale.

The acceleration of marketing and operational activities in China and Vietnam are taking place amidst downward margin pressures on the Group's operations in Malaysia due mainly to the depreciation of the Malaysian Ringgit. To mitigate these pressures, the Group is actively driving cost efficiencies through the streamlining and centralising of functions such as warehousing and procurement in its Malaysian operations, which is expected to generate cost savings. The Group has also consolidated and restructured its sales network with a view to better align incentives and to offer value-added specialisation in sub-verticals such as hypermarkets, hospitality outlets to cold stores and logistics.

The Group continues to pursue growth in its main markets while also exploring opportunities to expand into other regional markets.

The Group remains optimistic of its revenue growth prospects in view of the abovementioned strategies and opportunities present in its key markets.

11. Dividend

(a) Current Financial Period Reported on 31 December 2014

Any dividend declared for the current financial period that is reporting?

The following final dividend is recommended for shareholders' approval at the Annual General Meeting of the Company to be convened. The final dividend is intended to be paid in cash and the scrip dividend scheme will not be applied for this final dividend.

Name of dividend	Recommended final dividend for FY2014
Dividend type	Ordinary
Dividend rate	S\$0.0032 tax exempt (one-tier) per ordinary share
Tax rate	Tax exempt (one-tier)

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

Yes.

The following dividend was declared to the shareholders of the Company on the register of shareholders as at 16 May 2014.

Name of dividend	Final dividend for financial year ended 31 December 2013
Dividend type	Ordinary
Dividend rate	S\$0.0057 tax exempt (one-tier) per ordinary share
Tax rate	Tax exempt (one-tier)
Date paid	2 June 2014
Date declared	30 April 2014

(c) Date Payable

To be announced, subject to shareholders' approval at the Annual General Meeting of the Company to be convened.

12. If no dividend has been declared/recommended, a statement to the effect

Not applicable.

13. Use of Proceeds from the Rights Issue

As at the date of this announcement, the Group has fully utilised the net Rights Issue proceeds of S\$5.3 million, as set out in the table below:

	Allocation of Net Proceeds S\$'000	Amount Utilised S\$'000
Last Tranche Payment for the ERM acquisition	3,400	3,400
General working capital and new acquisitions	1,900	1,900
Total	5,300	5,300

14. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

Please refer to paragraph 8 for segmental information on the revenue and gross profit of the Group.

Non-current assets

	FY2014 S\$'000	FY2013 S\$'000
Singapore	6,177	4,938
Malaysia	2,591	2,768
China	11,383	11,679
Hong Kong	39	54
Vietnam	65	-
	<u>20,255</u>	<u>19,439</u>

Non-current assets information presented above consist of fixed assets, land use right, intangible assets and other receivables. The increase in non-current assets in China was attributable to the ERM Acquisition.

15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to paragraph 8 for segmental information on the revenue and gross profit of the Group.

16. A breakdown of sales as follows:-

	← GROUP →		Increase/ (Decrease) %
	FY2014 S\$'000	FY2013 S\$'000	
(a) Sales reported for first half year	16,925	15,268	10.9
(b) Operating profit after tax before deducting minority interests reported for the first half year	465	1,566	(70.3)
(c) Sales reported for second half year	19,745	20,366	(3.0)
(d) Operating profit after tax before deducting minority interests reported for the second half year	749	1,258	(40.5)

17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

	Year Ended 31 Dec 2014 S\$'000	Year Ended 31 Dec 2013 S\$'000
Ordinary	348 ⁽¹⁾	618 ⁽²⁾
Preference	-	-
Total	348	618

Notes:-

- (1) Relates to proposed final dividend in respect of FY2014 which is subject to shareholders' approval at the forthcoming Annual General Meeting to be convened.
- (2) Relates to final dividend declared in respect of FY2013, which was fully paid in FY2014 following approval by shareholders at the Company's Annual General Meeting held on 30 April 2014.

18. Interested Person Transaction ("IPT")

There was no interested person transaction entered into by the Group with value of more than S\$100,000 during FY2014.

19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

The Group does not have any employee holding a managerial position in the Company or in the Group who is a relative of a director or chief executive officer or substantial shareholder of the Company.

**BY ORDER OF THE BOARD
Far East Group Limited**

Loh Mun Yew
CEO and Executive Director

Leng Chee Keong
COO (Sales & Marketing) and Executive Director

26 February 2015