

Far East Group Limited

(Company Registration No.:196400096C) (Incorporated in the Republic of Singapore on 18 March 1964)

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE HALF YEAR ENDED 30 JUNE 2018

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, SAC Capital Private Limited ("**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the 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.

The contact person for the Sponsor is Ms. Lee Khai Yinn (Telephone: (65) 6532 3829) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF YEAR AND FULL YEAR RESULTS

1(a)(i) Consolidated 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

	← Gro Unaudited 1H2018 S\$'000	oup → Unaudited 1H2017 S\$'000	Change +ve/(-ve) %
Revenue	16,298	17,215	(5.3)
Cost of sales	(12,288)	(11,893)	3.3
Gross profit	4,010	5,322	(24.7)
Other income	30,854	932	n.m.
Distribution and selling expenses	(2,541)	(2,459)	3.3
Administrative expenses	(4,719)	(3,137) (292)	50.4
Other operating expenses	(5)	(292)	(98.3)
	(7,265)	(5,888)	23.4
Profit from operations	27,599	366	n.m.
Finance expenses	(558)	(188)	196.8
Interest income	3	26	(88.5)
Profit before tax	27,044	204	n.m.
Tax expense	(192)	(55)	249.1
Profit for the period	26,852	149	n.m.
Other comprehensive income			
Item that may be reclassified subsequently to profit or loss Foreign currency translation	198	(255)	n.m.
Total comprehensive income for the period	27,050	(106)	n.m.
Profit for the period attributable to :-			
Owners of the Company	26,933	248	n.m.
Non-controlling interests	(81)	(99)	(18.2)
	26,852	149	n.m.
Total comprehensive income for the period attributable to :-			
Owners of the Company	27,125	(64)	n.m.
Non-controlling interests	(75)	(42)	78.6
	27,050	(106)	n.m.

n.m. : not meaningful

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

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

	\leftarrow Group \longrightarrow		
	Unaudited 1H2018 S\$'000	Unaudited 1H2017 S\$'000	Change +ve/(-ve) %
Interest income	(3)	(26)	(88.5)
Interest expense	558	188	196.8
Write back of allowance for obsolete and slow moving			
inventories, net	(272)	(1,115)	(75.6)
Allowance for doubtful trade debts	-	34	n.m.
Write back of allowance for doubtful debts	(33)	(25)	32.0
Fixed assets written off	78	45	73.3
Gain on disposal of fixed assets held for sale	(6,590)	-	n.m.
Gain on disposal of fixed assets	(22,837)	(8)	n.m.
Depreciation of fixed assets	975	720	35.4
Dividend income from unquoted investment	-	(460)	n.m.
Amortisation of land use rights	23	23	-
Amortisation of intangible assets	45	44	2.3
Foreign exchange (gain)/loss, net	(44)	286	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

Fixed assets 93,206 96,779 25,467 28,68 Inardple assets 461 504 - - Investment in subcildaries - - 15,102 15,100 Investment in subcildaries - - 15,102 15,100 Investment in subcildaries 443 143 143 - - Unquoted investments 448 90 - - - Oberrod tax associate 1 10 - - - Opposits 1 10,72 5,204 4,307 Trade debtors 5,726 7,513 1,601 2,707 Other receivables 591 2,382 61 1,800 Deposits 192 324 90 200 200 Advance payment to suppliers 1,341 530 1,002 446 Due from subsidiaries (non-trade) - - 2,287 2,660 Due from subsidiaries (non-trade) - - 1,514		Chaudited Grou 30 June 2018	Audited 31 December 2017	← Compa Unaudited 30 June 2018	Audited 31 December 2017
Fixed assets 93,206 96,779 25,467 28,68 Inardple assets 461 504 - - Investment in subcildaries - - 15,102 15,100 Investment in subcildaries - - 15,102 15,100 Investment in subcildaries 443 143 143 - - Unquoted investments 448 90 - - - Oberrod tax associate 1 10 - - - Opposits 1 10,72 5,204 4,307 Trade debtors 5,726 7,513 1,601 2,707 Other receivables 591 2,382 61 1,800 Deposits 192 324 90 200 200 Advance payment to suppliers 1,341 530 1,002 446 Due from subsidiaries (non-trade) - - 2,287 2,660 Due from subsidiaries (non-trade) - - 1,514		S\$'000	5\$'000	S\$'000	5\$'000
Intangible assets 461 504 - - Land use rights 1,940 1,961 - - - Investment in subsidiaries - - - 15,102 15,103 Investment in associate 143 143 -	Non-current assets				
Land use rights 1,940 1,961 - - - 5,102 15,100 Investment in joint verture 96 96 136 130 Investment in sociate 143 143 - - - Unquoted investments 448 90 - - - Deferred 1x associate 146 143 - - - Deposits 1 10 - - - - Total non-current assets 36,441 29,726 40,725 4,300 Trade debtors 5,726 7,513 1,601 2,700 Deposits 192 224 90 201 Advance payment to suppliers 1,341 530 1,002 446 Due tron subsidiates (rado) - - 2,287 2,560 Due tron subsidiates (rado) - - 3,203 - - - 1,151 - 1,191 Fixed asset heid for sale - 1,156 -	Fixed assets	33,206	36,779	25,487	28,681
Investment in subsidiaries - - 15,102 15,103 Investment in associate 143 143 - - Unquoted investments 448 90 - - Deprosits 10 - - - Total non-current assets 36,441 39,726 40,725 43,917 Current assets 36,441 39,726 40,725 43,917 Current assets 36,441 50,7513 1,001 2,707 Chren exercise 591 2,382 61 1,601 Deposits 136 132 12 40 Other receivables 591 2,382 61 1,601 Deposits 136 132 12 40 00 2,000 Detrom subsidiaries (norhach) - - 2,287 2,565 1,514 - 1,154 Due from subsidiaries (norhach) - - 3,208 2,515 - - Tax recoverable 233	Intangible assets	461	504	-	-
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Unqueted investments 448 90 - - - Deprosits 1 10 - - - Total non-current assets 36,441 39,726 40,725 43,911 Current assets 13,145 10,720 5,204 4,301 Trade debtors 5,726 7,513 1,601 2,700 Other receivables 591 2,382 61 1,060 Deposits 136 132 12 16 Propayments 192 324 90 200 Advance payment to suppliers 1,341 530 1,002 46 Due from subclidaries (ron-trade) - - 2,287 2,565 Due from subclidaries (ron-trade) - - 3,008 2,517 Due from subclidaries (ron-trade) - - 1,197 Fixed assets 46,576 26,000 36,318 16,84 Current iabilities 2,106 2,369 46 6 107 Total				136	136
Deferred tax assets 146 143 - - Total non-current assets 36,441 39,726 40,725 43,911 Current assets 13,145 10,720 5,204 4,301 Inventories 5,726 7,513 1,601 2,700 Other receivables 591 2,382 61 1,600 Deposits 136 132 12 61 Prepayments 1,92 324 90 200 Advance payment to suppliers 1,3141 530 1,002 466 Due from subsidiaries (non-trade) - - 2,287 2,666 Due from subsidiaries (non-trade) - - 3,030 66 4 Cash and bank balances 2,6,391 4,191 22,847 1,37 Total current assets 2,6,391 4,191 22,847 1,37 Total current assets 2,6,391 4,191 22,847 1,37 Total current labilities - 1,236 4,650 - <td></td> <td></td> <td>-</td> <td>-</td> <td>-</td>			-	-	-
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Total non-current assets 36,441 39,726 40,725 43,917 Current assets 13,145 10,720 5,204 4,307 Irrade debtors 5,726 7,513 1,601 2,700 Other receivables 591 2,382 61 1,600 Prepayments 192 324 90 200 Advance payment to suppliers 1,341 530 1,002 466 Due from subsidiaries (non-trade) - - 3,208 2,551 Due from addisidaries (non-trade) - - 3,208 2,651 Due from addisidaries (non-trade) - - - 3,208 - - Trade apables 26,031 4,191 22,447 1,371 1,604 6 6 Current liabilities - 1,166 7,73 330 166 - - - 1,236 4,363 1,644 - - - 1,150 114 115 114 114 115 <t< td=""><td></td><td></td><td></td><td>-</td><td>-</td></t<>				-	-
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Inventories 13,145 10,720 5,204 4,303 Trade debtors 5,726 7,513 1,601 2,700 Other receivables 591 2,382 61 1,600 Deposits 136 132 12 4 Prepayments 192 324 90 200 Advance payment to suppliers 1,341 530 1,002 466 Due from subsidiaries (trade) - - 2,287 2,565 Due from subsidiaries (trade) - - 3,208 2,515 Due from subsidiaries (trade) - - - - Tax recoverable - 1,154 - - 1,197 Tixed assets held for sale 2,106 2,369 66 6 6 Current liabilities 2,031 2,272 1,343 1,64 Current liabilities 2,032 2,272 1,434 1,44 Drade orbit labilities 2,03 2,272 1,434 1,41		50,441	33,720	40,723	40,913
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Due from subsidiaries (trade) - - 2,287 2,563 Due from subsidiaries (non-trade) 353 399 - - Due from subsidiaries (non-trade) 233 235 - - Fixed assets held for sale - 1,154 - 1,197 Fixed deposits 468 460 6 6 6 Current liabilities 28,040 36,318 16,947 1,377 Total current assets 2,106 2,369 696 666 Advance payment from customers 1,186 773 330 168 Trust receipts and bills payable (secured) 5,326 4,050 5,326 4,050 Other creditors 994 405 776 111 114			-		
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Tax recoverable 233 235 - - Fixed dassets held for sale - 1,154 - 1,197 Fixed dassets held for sale - 1,154 - 1,197 Total current assets 26,391 4,191 22,847 1,377 Total current assets 48,576 28,040 36,318 16,944 Current liabilities 2,106 2,369 666 666 Advance payment from customers 1,186 773 330 166 Trate receipts and bills payable (secured) 5,326 4,050 5,326 4,050 Other creditors 984 405 776 111 Accruals and other liabilities 2,303 2,272 1,434 1,344 Due to subsidiaries (non-trade) - - 1,236 1,286 Due to subsidiaries (non-trade) - 16 - - Due to subsidiaries (non-trade) - 16 - - Finance lease obligations (current) 3,881 15,057 <td></td> <td>-</td> <td>-</td> <td></td> <td>2,517</td>		-	-		2,517
Fixed assets held for sale 1,154 1,191 Fixed deposits 468 460 6 7 6 111 11 11 11 11 11 11 11 11 11 11 11 11 11 11 11	• • • •			-	-
Fixed deposits 468 460 6 6 Cash and bank balances 26,391 4,191 22,847 1,377 Total current assets 48,576 28,040 36,318 16,944 Current liabilities 7 7 330 166 Trust receipts and bills payable (secured) 5,326 4,050 5,326 4,050 Other creditors 984 405 7776 111 Accruals and other liabilities 2,303 2,272 1,434 1,344 Dividend payable 115 114 114 114 Due to subsidiaries (non-trade) - - 1,236 1,285 Due to subsidiaries (non-trade) - 16 - - Due to subsidiaries (non-trade) 158 156 - - Finance lease obligations (current) 14 14 11 117 Term loans (current) 3,881 15,057 965 12,474 Total current liabilities 9 9 - <td< td=""><td></td><td>233</td><td></td><td>-</td><td>-</td></td<>		233		-	-
Cash and bank balances 26,391 4,191 22,847 1,370 Total current assets 48,576 28,040 36,318 16,944 Current liabilities 2,106 2,369 696 666 Advance payment from customers 1,186 7773 330 166 Trust receipts and bills payable (secured) 5,326 4,050 5,326 4,050 Other creditors 984 405 7776 111 Accruals and other liabilities 2,303 2,272 1,434 1,344 Dividend payable 115 115 114 114 Due to subsidiaries (non-trade) - - 1,236 1,265 Due to subsidiaries (non-trade) - 16 - - Due to affiliated company (non-trade) - 16 - - Due to affiliated company (non-trade) 14 14 11 10 Term loans (current) 3,881 15,057 965 12,470 Total current assets/(liabilities) 32,503		-		-	,
Total current assets 48,576 28,040 36,318 16,944 Current liabilities Trade payables 2,106 2,369 696 666 Advance payment from customers 1,186 773 330 166 Trust receipts and bills payable (secured) 5,326 4,050 5,326 4,050 Other creditors 984 405 776 111 Accruals and other liabilities 2,303 2,272 1,434 1,348 Due to subsidiaries (non-trade) - - 1,236 1,286 Due to affiliated company (non-trade) 158 156 - - Provision for income tax - 2 - - Finance lease obligations (current) 3,881 15,057 965 12,471 Total current liabilities 9					6
Current liabilities 2,106 2,369 696 666 Advance payment from customers 1,186 773 330 160 Trust receipts and bills payable (secured) 5,326 4,050 5,326 4,050 Other creditors 984 405 776 111 Accruals and other liabilities 2,303 2,272 1,434 1,344 Dividend payable 115 115 114 114 Due to subsidiaries (rade) - - 1,236 1,286 Due to subsidiaries (non-trade) - - 156 12 Due to atfiliated company (non-trade) 158 156 - - Due to atfiliated company (non-trade) 158 15,057 965 12,47 Total current liabilities 16,073 25,229 11,044 20,34 Net current assets/(liabilities) 32,503 2,811 25,274 (3,396 Non-current liabilities 9 9 - - - Deferred tax liabilitities			,		
Trade payables 2,106 2,369 696 666 Advance payment from customers 1,186 773 330 166 Trust receipts and bills payable (secured) 5,326 4,050 5,326 4,050 Other creditors 984 405 776 110 Accurals and other liabilities 2,303 2,272 1,434 1,348 Dividend payable 115 115 114 114 Due to subsidiaries (trade) - - 1,236 1,286 Due to subsidiaries (non-trade) - 16 - - - Due to subsidiaries (current) 118 156 - - - Finance lease obligations (current) 14 14 11 10 Total current liabilities 16,073 25,229 11,044 20,344 Net current liabilities 9 9 - - - Deferred tax liabilities 16,666 17,057 16,566 17,057 Total non-current liabilities	lotal current assets	48,576	28,040	36,318	16,943
Advance payment from customers 1,186 773 330 166 Trust receipts and bills payable (secured) 5,326 4,050 5,326 4,050 Other creditors 984 405 776 111 Accruals and other liabilities 2,303 2,272 1,434 1,944 Dividend payable 115 115 114 114 Due to subsidiaries (trade) - - 1,236 1,280 Due to subsidiaries (trade) - - 156 122 Due to affiliated company (trade) - 16 - - Provision for income tax - 2 - - Finance lease obligations (current) 14 14 11 10 Total current liabilities 32,503 2,811 25,274 (3,392 Non-current liabilities 9 9 - - - Total current liabilities 16,673 25,203 2,811 25,274 (3,392 Net current assets/(liabilities)	Current liabilities				
Trust receipts and bills payable (secured) 5,326 4,050 5,326 4,050 Other creditors 984 405 776 111 Accruals and other liabilities 2,303 2,272 1,434 1,343 Dividend payable 115 115 114 114 Due to subsidiaries (trade) - - 1,236 1,280 Due to subsidiaries (non-trade) - - 156 122 Due to affiliated company (non-trade) 158 156 - - Provision for income tax - 2 - - - Finance lease obligations (current) 14 14 11 10 10 Term loans (current liabilities 16,073 25,229 11,044 20,34 Non-current liabilities 9 9 - - - Finance lease obligations (non-current) 63 69 44 44 Term loans (non-current) 16,566 17,057 16,566 17,057 Total non-c	Trade payables	2,106	2,369	696	667
Other creditors 984 405 776 110 Accruals and other liabilities 2,303 2,272 1,434 1,344 Dividend payable 115 115 114 114 Due to subsidiaries (rade) - - 1,236 1,286 Due to subsidiaries (non-trade) - 16 - - Due to affiliated company (trade) - 16 - - Due to affiliated company (trade) 14 14 11 11 11 Term loans (current) 3,881 15,057 965 12,477 Total current liabilities 16,073 25,229 11,044 20,34 Net current assets/(liabilities) 32,503 2,811 25,274 (3,396 Non-current liabilities 9 9 - - - Finance lease obligations (non-current) 16,566 17,057 16,566 17,057 Total non-current liabilities 19,264 19,264 19,264 19,264 19,264 <td< td=""><td>Advance payment from customers</td><td>1,186</td><td>773</td><td>330</td><td>160</td></td<>	Advance payment from customers	1,186	773	330	160
Accruals and other liabilities 2,303 2,272 1,434 1,343 Dividend payable 115 115 114 114 Due to subsidiaries (trade) - - 1,236 1,283 Due to subsidiaries (non-trade) - - 156 122 Due to affiliated company (trade) - 16 - - Provision for income tax - 2 - - Finance lease obligations (current) 14 14 11 110 Term loans (current) 3,881 15,057 965 12,470 Total current liabilities 16,073 25,229 11,044 20,34 Non-current liabilities 9 9 - - Deferred tax liabilities 9 9 - - Total non-current liabilities 9 9 - - Deferred tax liabilities 9 9 - - - Total non-current liabilities 16,638 17,057 16,566 <t< td=""><td>Trust receipts and bills payable (secured)</td><td>5,326</td><td>4,050</td><td>5,326</td><td>4,050</td></t<>	Trust receipts and bills payable (secured)	5,326	4,050	5,326	4,050
Dividend payable 115 115 114 114 Due to subsidiaries (trade) - - 1,236 1,285 Due to subsidiaries (trade) - - 156 122 Due to affiliated company (trade) - 16 - - Due to affiliated company (non-trade) 158 156 - - Provision for income tax - 2 - - - Term loans (current) 14 14 11 10 10 Term loans (current) 3,881 15,057 965 12,470 Total current liabilities 16,073 25,229 11,044 20,34 Net current assets/(liabilities) 32,503 2,811 25,274 (3,396 Non-current liabilities 9 9 - - - Term loans (non-current) 16,566 17,057 16,566 17,057 Total non-current liabilities 19,264 19,264 19,264 19,264 Share capital and reserves	Other creditors	984	405	776	110
Due to subsidiaries (trade) - - 1,236 1,286 Due to subsidiaries (non-trade) - - 156 122 Due to affiliated company (trade) - 16 - - Due to affiliated company (non-trade) 158 156 - - Provision for income tax - 2 - - - Finance lease obligations (current) 14 14 11 11 11 Term loans (current) 3,881 15,057 965 12,470 Total current liabilities 16,073 25,229 11,044 20,34 Net current assets/(liabilities) 32,503 2,811 25,274 (3,396 Non-current liabilities 9 9 - - - Enance lease obligations (non-current) 63 69 44 44 Term loans (non-current) 16,566 17,057 16,566 17,057 Total non-current liabilities 52,306 25,402 49,389 23,41	Accruals and other liabilities	2,303	2,272		1,349
Due to subsidiaries (non-trade) - - 156 124 Due to affiliated company (trade) - 16 - <td< td=""><td></td><td>115</td><td>115</td><td></td><td>114</td></td<>		115	115		114
Due to affiliated company (trade) - 16 - - Due to affiliated company (non-trade) 158 156 - - Provision for income tax - 2 - - Finance lease obligations (current) 14 14 11 10 Term loans (current) 3,881 15,057 965 12,477 Total current liabilities 16,073 25,229 11,044 20,34 Net current assets/(liabilities) 32,503 2,811 25,274 (3,396 Non-current liabilities 9 9 - - - Deferred tax liabilities 9 9 - - - Term loans (non-current) 16,566 17,057 16,566 17,057 Total non-current liabilities 16,638 17,135 16,610 17,107 Net assets 52,306 25,402 49,389 23,413 Share capital and reserves 33,350 6,612 29,803 3,822 Capital reserve		-	-		
Due to affiliated company (non-trade) 158 156 - - Provision for income tax - 2 - </td <td>. ,</td> <td>-</td> <td></td> <td>156</td> <td>124</td>	. ,	-		156	124
Provision for income tax - 2 - - Finance lease obligations (current) 14 14 11 10 Term loans (current) 3,881 15,057 965 12,470 Total current liabilities 16,073 25,229 11,044 20,34 Net current assets/(liabilities) 32,503 2,811 25,274 (3,396 Non-current liabilities 9 9 - - - Deferred tax liabilities 9 9 - - - Finance lease obligations (non-current) 63 69 44 44 Term loans (non-current) 16,566 17,057 16,566 17,057 Total non-current liabilities 16,638 17,135 16,610 17,100 Net assets 52,306 25,402 49,389 23,411 Share capital and reserves 33,350 6,612 29,803 3,821 Capital reserve 322 322 322 322 322 322 322 322 322 322 322 32 32 32					-
Finance lease obligations (current) 14 14 14 11 10 Term loans (current) 3,881 15,057 965 12,470 Total current liabilities 16,073 25,229 11,044 20,34 Net current assets/(liabilities) 32,503 2,811 25,274 (3,398 Non-current liabilities 9 9 - - - Finance lease obligations (non-current) 63 69 44 44 Term loans (non-current) 16,566 17,057 16,566 17,057 Total non-current liabilities 16,638 17,135 16,610 17,105 Net assets 52,306 25,402 49,389 23,411 Share capital and reserves 52,306 25,402 49,389 23,411 Share capital and reserves 33,350 6,612 29,803 3,822 Gapital reserve 322 <td></td> <td></td> <td></td> <td>-</td> <td>-</td>				-	-
Term loans (current) 3,881 15,057 965 12,470 Total current liabilities 16,073 25,229 11,044 20,34 Net current assets/(liabilities) 32,503 2,811 25,274 (3,398 Non-current liabilities 9 9 - - - Deferred tax liabilities 9 9 - - - Finance lease obligations (non-current) 63 69 44 46 Total non-current 16,566 17,057 16,566 17,057 Total non-current liabilities 16,638 17,135 16,610 17,101 Net assets 52,306 25,402 49,389 23,411 Share capital and reserves 5 33,350 6,612 29,803 3,822 Share capital reserve 322				-	-
Total current liabilities 16,073 25,229 11,044 20,34 Net current assets/(liabilities) 32,503 2,811 25,274 (3,398 Non-current liabilities 9 9 -	5 ()				10
Net current assets/(liabilities) 32,503 2,811 25,274 (3,396 Non-current liabilities 9 9 -		,			,
Non-current liabilities 9 9 -		10,070			20,041
Deferred tax liabilities 9 9 - <td>Net current assets/(liabilities)</td> <td>32,503</td> <td>2,811</td> <td>25,274</td> <td>(3,398</td>	Net current assets/(liabilities)	32,503	2,811	25,274	(3,398
Deferred tax liabilities 9 9 - <td>Non-current liabilities</td> <td></td> <td></td> <td></td> <td></td>	Non-current liabilities				
Finance lease obligations (non-current) 63 69 44 44 Term loans (non-current) 16,566 17,057 16,566 17,057 Total non-current liabilities 16,638 17,135 16,610 17,100 Net assets 52,306 25,402 49,389 23,411 Share capital and reserves 52,306 25,402 49,389 23,411 Share capital earnings 33,350 6,612 29,803 3,822 Capital reserve 322 323 33,350 6,612 - </td <td></td> <td>9</td> <td>9</td> <td>-</td> <td>-</td>		9	9	-	-
Term loans (non-current) 16,566 17,057 16,566 17,057 Total non-current liabilities 16,638 17,135 16,610 17,100 Net assets 52,306 25,402 49,389 23,412 Share capital and reserves 5 5 5 5 5 6 6 17,057 16,566	Finance lease obligations (non-current)			44	49
Total non-current liabilities 16,638 17,135 16,610 17,100 Net assets 52,306 25,402 49,389 23,419 Share capital and reserves 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 6 10 17,100 10 <th10< th=""> <th10< th=""></th10<></th10<>	e				17,057
Share capital and reserves 19,264 13,224 132 132 132 132 132 132 132 132 132 132 142 142 142 14	Total non-current liabilities				17,106
Share capital 19,264 <th1< td=""><td>Net assets</td><td>52,306</td><td>25,402</td><td>49,389</td><td>23,415</td></th1<>	Net assets	52,306	25,402	49,389	23,415
Share capital 19,264 <th1< td=""><td>Share capital and reserves</td><td></td><td></td><td></td><td></td></th1<>	Share capital and reserves				
Retained earnings 33,350 6,612 29,803 3,82 Capital reserve 322 322 322 32 32 Translation reserve (2,620) (2,812) - - - 50,316 23,386 49,389 23,411 Non-controlling interests 1,990 2,016 - -	-	19 264	19 264	19 264	19 264
Capital reserve 322 323			,		
Translation reserve (2,620) (2,812) - <t< td=""><td></td><td></td><td></td><td></td><td>322</td></t<>					322
Kon-controlling interests 50,316 23,386 49,389 23,41 Non-controlling interests 1,990 2,016 - -	•			- 522	- 522
Non-controlling interests 1,990 2,016	Translation reserve			-	- 22 /15
	Non-controlling interests				20,413
	Total equity	52,306	25,402	49,389	23,415

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 30 v	June 2018	As at 31 December 2017		
	Secured	Unsecured	Secured	Unsecured	
	S\$'000	S\$'000	S\$'000	S\$'000	
Repayable in one year or less, or on demand	9,221	-	19,121	-	
Repayable after one year	16,629	-	17,126	-	
Total borrowings	25,850	-	36,247	-	

Details of any collateral

The above borrowings are secured by legal mortgage over the leasehold land and buildings, plant and machinery, land use rights, and motor vehicles 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

CONSOLIDATED STATEMENT OF CASH FLOWS	← G R C	
	Unaudited 1H2018 S\$'000	Unaudited 1H2017 \$\$'000
Cash flows from operating activities		
Profit before tax	27,044	204
Adjustments:		
Allowance for doubtful trade debts	-	34
Write back of allowance for doubtful trade debts	(33)	(25)
Write back of allowance for obsolete and slow moving inventories, net	(272)	(1,115)
Fixed assets written off	78	45
Gain on disposal of fixed assets	(22,837)	(8)
Gain on disposal of fixed assets held for sale	(6,590)	-
Depreciation of fixed assets	975	720
Dividend income from unquoted investment	-	(460)
Amortisation of land use rights	23	23 44
Amortisation of intangible assets	45 558	44 188
Finance expenses Interest income		
Translation difference	(3) 121	(26) 25
	121	25
Operating cash flows before working capital changes (Increase)/decrease in:	(891)	(351)
Inventories	(2,153)	(953)
Trade debtors	1,820	853
Other receivables	1,421	(99)
Deposits, prepayments and advance payment to suppliers	(674)	(1,260)
Increase/(decrease) in:	()	
Trade payables	(263)	245
Advance payment from customers	413	(365)
Other creditors	579	(99)
Accruals and other liabilities	31	(199)
Amounts due to affiliated companies, net	32	172
Cash generated from/(used in) operations	315	(2,056)
Interest paid	(558)	(188)
Income taxes paid	(352)	(107)
Income taxes refunded	157	68
Interest income	3	26
Net cash flows used in operating activities	(435)	(2,257)
Cash flows from investing activities		
Proceeds from disposal of fixed assets	27,000	8
Proceeds from disposal of fixed assets held for sale	7,764	-
Purchase of fixed assets	(1,611)	(235)
Dividends received	31	(200)
Capital contribution from non-controlling interest	49	-
Purchase of unquoted investment	-	(20)
Net cash flows generated from/(used in) investing activities	33,233	(247)
not out nows generated non/(ased in) investing activities	00,200	(477)

	←──── G R C Unaudited 1H2018 S\$'000	OUP Unaudited 1H2017 S\$'000
Cash flows from financing activities		
Trust receipts and bills payable	1,276	2,179
Dividend paid	(195)	-
Repayment of finance lease obligations	(6)	(72)
Repayment of term loans	(15,562)	(2,898)
Proceeds from term loans	3,895	3,410
Net cash flows (used in)/generated from financing activities	(10,592)	2,619
Net increase in cash and cash equivalents	22,206	115
Effect of exchange rate changes on cash and cash equivalents	2	(9)
Cash and cash equivalents at beginning of period	4,551	6,285
Cash and cash equivalents at end of period	26,759	6,391
Cash and cash equivalents consist of the following: Cash and bank balances	26,391	5,918
Less: bank deposit pledged	(100)	-
ixed deposits	468	473
	26,759	6,391

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.

the initialities proceeding interior	, your		Attributable to	shareholders of t	the Company		
	Equity, Total S\$'000	Equity attributable to owners of the Company, total S\$'000	Share capital S\$'000	Retained earnings S\$'000	Capital reserve S\$'000	Translation reserve S\$'000	Non- controlling interests S\$'000
GROUP	0000		0000	0000	0000	0000	0000
Balance at 1 January 2018	25,402	23,386	19,264	6,612	322	(2,812)	2,016
Profit/(Loss) for the period	26,852	26,933	-	26,933	-	-	(81)
Other comprehensive income	198	192	-	-	-	192	6
Total comprehensive income	27,050	27,125	-	26,933	-	192	(75)
Contribution by and distributions							
<u>to owners</u> Dividends on ordinary shares	(195)	(195)	_	(195)	_	_	_
Changes in ownership interests in subsidiaries	(133)	(199)		(100)			
Capital contribution from non-controlling		_					
interest	49		-	-	-	-	49
Balance at 30 June 2018	52,306	50,316	19,264	33,350	322	(2,620)	1,990
Balance at 1 January 2017	25,185	23,106	19,264	6,228	322	(2,708)	2,079
Profit/(Loss) for the period	149	248	-	248	-	-	(99)
Other comprehensive income	(255)	(312)	-	-	-	(312)	57
Total comprehensive income	(106)	(64)	-	248	-	(312)	(42)
Balance at 30 June 2017	25,079	23,042	19,264	6,476	322	(3,020)	2,037
COMPANY							
Balance at 1 January 2018	23,415	23.415	19,264	3,829	322	-	-
Profit for the period	26,169	26,169	-	26,169	-	-	-
Other comprehensive income	-,	-, -	-	-	-	-	-
Total comprehensive income	26,169	26,169	-	26,169	-	-	-
Contribution by and distributions							
to owners							
Dividends on ordinary shares	(195)	(195)	-	(195)	-	-	-
Balance at 30 June 2018	49,389	49,389	19,264	29,803	322	-	-
Balance at 1 January 2017	22,618	22,618	19,264	3,032	322	_	
Profit for the period	22,018	22,018	-	246	- 522	-	
Other comprehensive income	-	-	-	-	-	_	_
Total comprehensive income	246	246	-	246	-		-
Balance at 30 June 2017	22,864	22,864	19,264	3,278	322	-	-
	,	,00:	· • ,= • ·	5,=: 5			

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 for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period of the immediately preceding period of the immediately preceding held against the total number of shares outstanding in a class that is listed 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 1 January 2018 to 30 June 2018.

The Company did not have any convertible securities, treasury shares and subsidiary holdings as at 30 June 2018 and 30 June 2017.

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 end of the immediately preceding year.

The total number of issued shares (excluding treasury shares) as at 30 June 2018 and 31 December 2017 was 108,480,000.

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

Not applicable. The Company does not have any treasury shares.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable. The Company does not have any subsidiary holdings.

2. Whether the figures have been audited, or reviewed, and in accordance with which auditing standard or practice.

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 qualifications or emphasis of matter).

Not applicable.

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

Except as disclosed in item 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current financial reporting period as those applied in the preparation of the audited financial statements for the financial year ended 31 December 2017.

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.

Singapore listed companies are required to apply a new financial reporting framework - Singapore Financial Reporting Framework (International) ("**SFRS(I)**") that is identical to the International Financial Reporting Standards with effect from 1 January 2018. The Group has adopted SFRS(I) on 1 January 2018, including Interpretations of SFRS(I). The adoption of these new / revised SFRS(I) and interpretations of SFRS(I) did not result in significant change to the Group's accounting policies and did not have a material impact on the Group's results for 1H2018.

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

	GROUP		
	1H2018	1H2017	
Net profit after tax attributable to owners of the Company (S\$'000)	26,933	248	
Weighted average number of ordinary shares ('000)	108,480	108,480	
Earnings per share - basic/fully diluted (cents)	24.83	0.23	

The Company has no dilutive equity instruments as at 30 June 2018 and 30 June 2017.

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

	GR	OUP	COMPANY		
	As at 30 June 2018	As at 31 December 2017	As at 30 June 2018	As at 31 December 2017	
Net asset value (S\$'000)	50,316	23,386	49,389	23,415	
Number of ordinary shares ('000)	108,480	108,480	108,480	108,480	
Net asset value per share (cents)	46.4	21.6	45.5	21.6	

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, costs, and earnings 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 Financial Performance

Revenue

Revenue decreased by S\$0.9 million or 5.3%, to S\$16.3 million in the six-month financial period ended 30 June 2018 ("**1H2018**") from S\$17.2 million in the six-month financial period ended 30 June 2017 ("**1H2017**"), mainly due to decrease in sales from Singapore, Indonesia, Vietnam and Myanmar markets. The decrease was partially offset by higher sales in China market.

	←	GROU	UP	\longrightarrow	Change
Revenue by Business Segment	1H2018 S\$'000	% Contribution	1H2017 S\$'000	% Contribution	+ve/(-ve) %
Residential and commercial (air-conditioning)	1,896	11.6%	1,800	10.5%	5.3
Oil, marine and gas (refrigeration and air-conditioning)	429	2.6%	465	2.7%	(7.7)
Commercial and light industrial (refrigeration)	13,973	85.8%	14,950	86.8%	(6.5)
-	16,298	100%	17,215	100%	

Revenue from the commercial and light industrial (refrigeration) segment decreased by S\$1.0 million in 1H2018 as compared to 1H2017. Revenue from the residential and commercial (air-conditioning) segment increased by S\$0.1 million in 1H2018 as compared to 1H2017.

Gross profit and gross profit margin

The Group's gross profit decreased by S\$1.3 million or 24.7% to S\$4.0 million in 1H2018 from S\$5.3 million in 1H2017, while gross profit margin decreased by 6.3ppt, to 24.6% in 1H2018 from 30.9% in 1H2017. The lower margin was mainly due to lower write-back of stocks provision in 1H2018.

Other income

Other operating income increased by \$\$30.0 million, to \$\$30.9 million in 1H2018 from \$\$0.9 million in 1H2017. The increase was mainly due to (i) gain on disposal of fixed assets of \$\$22.8 million in relation to the building situated at 112 Lavender Street; (ii) gain on disposal of fixed assets held for sale of \$\$6.6 million in relation to the properties situated at 5 Third Lok Yang Road and Lot No. 42182, GM 5748, Locality of 13th Mile Sungai Besi Road, Pekan Kajang, District of Hulu Langat, State of Selangor Darul Ehsan, Malaysia; and (iii) increase in rental and management service income of \$\$1.1 million. The increase was partially offset by the decrease in dividend income from unquoted investment of \$\$0.5 million.

Distribution and selling expenses

There were no major fluctuations in distribution and selling expenses in 1H2018 and 1H2017.

Administrative expenses

Administrative expenses increased by S\$1.6 million to S\$4.7 million in 1H2018 from S\$3.1 million in 1H2017. This was mainly due to an increase in (i) depreciation charges of S\$0.3 million; (ii) professional fees of S\$0.5 million; (iii) rental expenses of S\$0.4 million; (iv) payroll cost of S\$0.1 million; (v) property tax of S\$0.1 million; (vi) director remuneration of S\$0.1 million; and (vii) IT related expenses of S\$0.1 million.

Other operating expenses

Other operating expenses decreased by S\$0.3 million mainly because there was no foreign exchange loss incurred in 1H2018.

Finance expenses

Finance expenses increased by S\$0.4 million to S\$0.6 million in 1H2018 from S\$0.2 million in 1H2017. This was mainly due to an increase in long term loan interest of S\$0.3 million from property loan and increase in short term loan interest of S\$0.1 million.

Tax expense

Tax expense increased by S\$0.1 million to S\$0.2 million in 1H2018 from S\$0.1 million in 1H2017. This was mainly due to property gains tax on disposal of subsidiary's asset held for sale in Malaysia.

Review of Financial Position

Non-current assets

Non-current assets decreased by S\$3.3 million to S\$36.4 million as at 30 June 2018 from S\$39.7 million as at 31 December 2017.

The decrease was mainly due to (i) disposal of fixed assets with carrying amount of S\$4.2 million; and (ii) depreciation charge of S\$1.0 million. The decrease was partially offset by (i) acquisition of fixed assets of S\$1.6 million; and (ii) investment in unquoted investment of S\$0.3 million.

Current assets

Current assets increased by S\$20.6 million to S\$48.6 million as at 30 June 2018 from S\$28.0 million as at 31 December 2017.

The increase was mainly due to (i) increase in cash and bank balances of S\$22.2 million; (ii) increase in inventories of S\$2.4 million; and (iii) increase in advance payments to suppliers of S\$0.8 million. The increase was partially offset by (i) decrease in other receivables of S\$1.8 million; (ii) decrease in trade receivables of S\$1.8 million; and (iii) decrease in fixed assets held for sale of S\$1.2 million.

Current liabilities

Current liabilities decreased by S\$9.1 million to S\$16.1 million as at 30 June 2018 from S\$25.2 million as at 31 December 2017.

The decrease was mainly due to (i) decrease in borrowings of S\$11.2 million; and (ii) decrease in trade payables of S\$0.3 million. The decrease was partially offset by (i) increase in trust receipts and bills payable of S\$1.3 million; (ii) increase in advance payment from customers of S\$0.4 million; and (iii) increase in other creditors of S\$0.6 million.

Non-current liabilities

Non-current liabilities decreased by S\$0.5 million to S\$16.6 million as at 30 June 2018 from S\$17.1 million as at 31 December 2017.

The decrease was mainly due to ongoing repayments of non-current borrowings of S\$0.5 million.

<u>Equity</u>

Total equity increased by S\$26.9 million to S\$52.3 million as at 30 June 2018 from S\$25.4 million as at 31 December 2017.

This was mainly due to (i) increase in profit for the period of S\$26.9 million; and (ii) increase in translation reserve of S\$0.2 million. The increase was partially offset by dividend paid of S\$0.2 million.

Review of Cash Flow Statement

The Group used S\$0.9 million net cash in operating activities before changes in working capital in 1H2018, while net cash flows used in operating activities amounted to S\$0.4 million. This was mainly due to cash outflows arising from (i) payment of bank interest of S\$0.6 million; and (ii) net income tax paid of S\$0.2 million. These were partially offset by positive working capital changes of S\$1.2 million. The working capital changes consist of net cash inflows arising mainly from changes in (i) trade receivables of S\$1.8 million; (ii) other receivables of S\$1.4 million; (iii) other receivables of S\$0.6 million; and (iv) advance payments from customers of S\$0.4 million. These were partially offset by cash outflows arising from changes in (i) inventories of S\$2.2 million; (ii) deposits, prepayments and advance payments to suppliers of S\$0.7 million; and (iii) trade payables of S\$0.3 million.

Net cash generated from investing activities amounting to S\$33.2 million in 1H2018 was mainly due to disposal of fixed assets and fixed assets held for sale of S\$27.0 million and S\$7.8 million respectively. This was partially offset by purchases of fixed assets of S\$1.6 million.

Net cash used in financing activities amounted to S\$10.6 million in 1H2018. This was mainly due to (i) repayments of term loans of S\$15.6 million; and (ii) dividend paid of S\$0.2 million. These were partially

offset by (i) proceeds from term loans of S\$3.9 million; and (ii) proceeds from trust receipts and bills payable of S\$1.3 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 significant trends and 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.

In 1H2018, with the R&D efforts paying off, the Group successfully rolled out another two new ranges of our G5-series of "Eden" heat exchangers which includes the use of natural gas to minimise the carbon footprint. The Group also launched our compact-designed outdoor packaged units which would offer convenience in installation and reduction in operating and maintenance costs.

In the same period, the Group sold two properties in Singapore and one property in Malaysia thus unlocking value for shareholders. The proceeds from the sale of these properties have provided the Group with a war chest to enhance and streamline its existing business and also to explore opportunities for mergers and acquisitions to strengthen the Group. In addition, the Board also wish to reward the Company's shareholders who have held onto the Company's shares since its public offering by declaring a one-off interim dividend of S\$0.03 per share, which translates into a yield of 16.7% based on the closing share price of S\$0.18 per share on 13 August 2018.

The Directors are of the view that the developments of the Group's product offering will lead the Group to a new level of technological competitiveness into the future. In view of its product development and unlocking of value through the sale of properties and barring any unforeseen circumstances, the Group is cautiously optimistic that it is moving in the right direction to enhance its Group strategies.

11. Dividend

(a) Current Financial Period Reported on 30 June 2018

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

Yes.

Name of dividend	Interim
Dividend type	Cash
Dividend amount per share (in cents)	3.0 cents 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?

Nil.

(c) Date Payable

The dividend payment will be made on 12 September 2018.

(d) Books Closure Date

Books closure date will be on 3 September 2018. 12. If no dividend has been declared/recommended, a statement to the effect

Not applicable.

13. Interested Person Transaction ("IPT")

The Group does not have a general mandate from shareholders for interested person transactions pursuant to Rule 920(1)(a)(ii) of the Catalist Rules. There are no interested person transactions of S\$100,000 or more during the financial period under review.

14. Issuer to confirm that is has procured undertakings from all its directors and executive officers in the format set out in Appendix 7H under Rule 720(1) of the Catalist Rules.

The Board of Directors confirms that the Company has procured undertakings from all its directors and executive officers in the format set out in Appendix 7H under Rule 720(1) of the Catalist Rules.

CONFIRMATION PURSUANT TO RULE 705(5) OF THE CATALIST RULES

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the unaudited results for the financial period ended 30 June 2018 to be false or misleading in any material aspect.

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

14 August 2018