

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FULL YEAR ENDED 31 DECEMBER 2016

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PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER (“FY”) 2016

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 FY2016 S\$'000	Audited FY2015 S\$'000	
Revenue	39,162	34,811	12.5
Cost of sales	(29,523)	(24,811)	19.0
Gross profit	9,639	10,000	(3.6)
Other operating income	1,003	869	15.4
Distribution and selling expenses	(4,633)	(4,597)	0.8
Administrative expenses	(6,908)	(6,878)	0.4
Other operating expenses	(310)	(274)	13.1
	(11,851)	(11,749)	0.9
Loss from operations	(1,209)	(880)	37.4
Finance expenses	(400)	(368)	8.7
Interest income	12	22	(45.5)
Loss before tax	(1,597)	(1,226)	30.3
Tax credit/(expense)	191	(408)	n.m
Loss for the year	(1,406)	(1,634)	(14.0)
Other comprehensive income			
Exchange differences on translating foreign operations	(541)	(670)	(19.3)
Total comprehensive income for the year	(1,947)	(2,304)	(15.5)
Loss for the year attributable to :-			
Owners of the Company	(1,180)	(1,278)	(7.7)
Non-controlling interests	(226)	(356)	(36.5)
	(1,406)	(1,634)	(14.0)
Total comprehensive income for the year attributable to :-			
Owners of the Company	(1,575)	(2,038)	(22.7)
Non-controlling interests	(372)	(266)	39.8
	(1,947)	(2,304)	(15.5)

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		Change +ve/(-ve) %
	Unaudited FY2016 S\$'000	Audited FY2015 S\$'000	
Dividend income from unquoted investment	(489)	(453)	8.0
Interest income	(12)	(22)	(45.5)
Finance expenses	400	368	8.7
Allowance for obsolete and slow-moving inventories, net	813	1,021	(20.4)
Inventories written-off	100	-	n.m
Allowance for doubtful trade debts, net	63	361	(82.6)
Fixed assets written off	-	1	n.m
Loss/(gain) on disposal of fixed assets, net	19	(37)	n.m
Depreciation of fixed assets	1,497	1,486	0.7
Amortisation of land use rights	46	47	(2.1)
Amortisation of intangible assets	90	94	(4.3)
Foreign currency loss, net	257	270	(4.8)
Warranty written back, net	(14)	(14)	-

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 2016 S\$'000	Audited 31 Dec 2015 S\$'000	Unaudited 31 Dec 2016 S\$'000	Audited 31 Dec 2015 S\$'000
Non-current assets				
Fixed assets	15,754	16,228	6,805	7,037
Intangible assets	600	717	-	-
Land use rights	2,017	2,102	-	-
Investments in subsidiaries	-	-	15,002	15,202
Unquoted investments	238	91	-	-
Deferred tax assets	187	62	-	62
Deposits	10	11	-	-
Prepayments	-	13	-	-
Total non-current assets	18,806	19,224	21,807	22,301
Current assets				
Inventories	8,596	12,832	3,035	5,533
Trade debtors	8,101	6,618	3,412	2,823
Other receivables	566	932	12	31
Deposits	186	181	8	10
Prepayments	113	74	34	41
Advance payment to suppliers	405	191	191	95
Amounts due from subsidiaries (trade)	-	-	3,551	3,729
Amounts due from subsidiaries (non-trade)	-	-	2,150	1,005
Amounts due from affiliated companies (trade)	916	9	-	-
Tax recoverable	314	235	-	46
Fixed deposits	499	490	6	6
Cash and bank balances	5,786	4,488	1,657	1,158
Total current assets	25,482	26,050	14,056	14,477
Current liabilities				
Trade payables	1,910	1,867	528	748
Advance payment from customers	645	463	298	82
Trust receipts and bills payable (secured)	4,062	5,113	3,939	4,895
Gross amount due to customers for contract work-in-progress	170	-	-	-
Other creditors	503	713	153	330
Accruals and other liabilities	2,350	1,971	1,235	1,223
Provision for warranty	-	14	-	14
Dividend payable	115	115	114	114
Amounts due to subsidiaries (trade)	-	-	644	918
Amounts due to subsidiaries (non-trade)	-	-	104	103
Amounts due to affiliated companies (trade)	379	41	-	-
Amounts due to affiliated companies (non-trade)	170	166	-	-
Provision for income tax	7	15	-	-
Finance lease obligations (current)	78	390	75	382
Term loans (current)	7,129	5,256	5,424	3,860
Total current liabilities	17,518	16,124	12,514	12,669
Net current assets	7,964	9,926	1,542	1,808
Non-current liabilities				
Deferred tax liabilities	9	104	-	-
Finance lease obligations (non-current)	83	66	59	65
Term loans (non-current)	1,493	2,254	672	2,254
Total non-current liabilities	1,585	2,424	731	2,319
Net assets	25,185	26,726	22,618	21,790
Equity attributable to owners of the Company				
Share capital	19,264	19,264	19,264	19,264
Retained earnings	6,228	7,408	3,032	2,204
Capital reserve	322	322	322	322
Translation reserve	(2,708)	(2,313)	-	-
	23,106	24,681	22,618	21,790
Non-controlling interests	2,079	2,045	-	-
Total equity	25,185	26,726	22,618	21,790

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 2016		As at 31 December 2015	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Repayable in one year or less, or on demand	11,269	-	10,759	-
Repayable after one year	1,576	-	2,320	-
Total borrowings	12,845	-	13,079	-

Details of any collateral

The above borrowings are secured by legal mortgage over the freehold and leasehold land and buildings, motor vehicles, plant and machinery, software, office equipment and land use rights of the Group, and joint and several guarantees by certain directors 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

	G R O U P	
	Unaudited FY2016 S\$'000	Audited FY2015 S\$'000
Cash flows from operating activities		
Loss before tax	(1,597)	(1,226)
Adjustments:		
Allowance for doubtful trade debts	82	361
Allowance for doubtful trade debts written back	(19)	-
Allowance for obsolete and slow-moving inventories, net	813	1,021
Inventories written off	100	-
Fixed assets written off	-	1
Loss/(gain) on disposal of fixed assets, net	19	(37)
Depreciation of fixed assets	1,497	1,486
Dividend income from unquoted investment	(489)	(453)
Amortisation of intangible assets	90	94
Amortisation of land use rights	46	47
Warranty written back, net	(14)	(14)
Finance expenses	400	368
Interest income	(12)	(22)
Translation difference	(85)	(581)
Operating cash flows before working capital changes	831	1,045
<i>(Increase)/Decrease in:</i>		
Inventories	3,323	(2,435)
Trade debtors	(1,546)	440
Other receivables	115	79
Deposits, prepayments and advance payment to suppliers	(244)	298
<i>Increase/(Decrease) in:</i>		
Trade payables	43	(85)
Gross amount due to customers for contract work-in-progress	170	-
Advance payment from customers	182	121
Other creditors	(210)	71
Accruals and other liabilities	379	(184)
Amount due to affiliated companies, net	(565)	4
Cash flows generated from/(used in) operations	2,478	(646)
Interest paid	(400)	(368)
Income taxes paid	(220)	(566)
Income taxes refunded	102	131
Interest income	12	22
Net cash flows generated from/(used in) operating activities	1,972	(1,427)
Cash flows from investing activities		
Proceeds from disposal of fixed assets	44	39
Purchase of fixed assets	(1,372)	(536)
Dividends received	750	292
Net cash outflow on acquisition of unquoted investment	(146)	-
Proceeds from non-controlling interest	406	-
Net cash flows used in investing activities	(318)	(205)

	G R O U P	
	Unaudited FY2016 S\$'000	Audited FY2015 S\$'000
Cash flows from financing activities		
Dividends paid	-	(375)
Trust receipts and bills payable	(1,051)	1,819
Repayment of finance lease obligations	(397)	(427)
Repayment of term loans	(5,328)	(4,156)
Proceeds from term loans	6,440	3,601
Net cash flows (used in)/generated from financing activities	<u>(336)</u>	<u>462</u>
Net increase/(decrease) in cash and cash equivalents	1,318	(1,170)
Effect of exchange rate changes on cash and cash equivalents	(11)	11
Cash and cash equivalents at beginning of year	4,978	6,137
Cash and cash equivalents at end of year	<u>6,285</u>	<u>4,978</u>
 Cash and cash equivalents consist of the following :		
Cash and bank balances	5,786	4,488
Fixed deposits	499	490
	<u>6,285</u>	<u>4,978</u>

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 owners of the Company						Non-controlling interests
	Equity, total	Equity attributable to owners of the Company, total	Share capital	Retained earnings	Capital reserve	Translation reserve	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
GROUP							
Balance at 1 January 2016	26,726	24,681	19,264	7,408	322	(2,313)	2,045
Loss for the year	(1,406)	(1,180)	-	(1,180)	-	-	(226)
Other comprehensive income	(541)	(395)	-	-	-	(395)	(146)
Total comprehensive income	(1,947)	(1,575)	-	(1,180)	-	(395)	(372)
Proceeds from non-controlling interest	406	-	-	-	-	-	406
Balance at 31 December 2016	25,185	23,106	19,264	6,228	322	(2,708)	2,079
Balance at 1 January 2015	29,377	27,066	19,264	9,033	322	(1,553)	2,311
Loss for the year	(1,634)	(1,278)	-	(1,278)	-	-	(356)
Other comprehensive income	(670)	(760)	-	-	-	(760)	90
Total comprehensive income	(2,304)	(2,038)	-	(1,278)	-	(760)	(266)
Dividend paid	(347)	(347)	-	(347)	-	-	-
Balance at 31 December 2015	26,726	24,681	19,264	7,408	322	(2,313)	2,045
COMPANY							
Balance at 1 January 2016	21,790	21,790	19,264	2,204	322	-	-
Profit for the year	828	828	-	828	-	-	-
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income	828	828	-	828	-	-	-
Balance at 31 December 2016	22,618	22,618	19,264	3,032	322	-	-
Balance at 1 January 2015	21,783	21,783	19,264	2,197	322	-	-
Profit for the year	354	354	-	354	-	-	-
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income	354	354	-	354	-	-	-
Dividend paid	(347)	(347)	-	(347)	-	-	-
Balance at 31 December 2015	21,790	21,790	19,264	2,204	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 1 July 2016 to 31 December 2016.

The Company does not have any convertible securities and treasury shares as at 31 December 2015 and 31 December 2016.

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 2016 was 108,480,000 (as at 31 December 2015: 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

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

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

Except as disclosed in item 5 below, 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 the financial year ended 31 December 2015.

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

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 2016. 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 the financial year ended 31 December 2016.

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	
	FY2016	FY2015
Net loss after tax attributable to owners of the Company (S\$'000)	(1,180)	(1,278)
Weighted average number of ordinary shares ('000)	108,480	108,480
Loss per share - basic/fully diluted (cents)	(1.09)	(1.18)

The Company has no dilutive equity instruments as at 31 December 2016 and 31 December 2015.

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 31 Dec 2016	As at 31 Dec 2015	As at 31 Dec 2016	As at 31 Dec 2015
Net asset value (S\$'000)	23,106	24,681	22,618	21,790
Number of ordinary shares ('000)	108,480	108,480	108,480	108,480
Net asset value per share (cents)	21.3	22.8	20.8	20.1

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 Financial Performance

Revenue

Revenue increased by S\$4.4 million or 12.5%, to S\$39.2 million in FY2016 from S\$34.8 million in FY2015, mainly due to increased sales from Malaysia, Indonesia, Hong Kong and China markets. The increase was partially offset by lower sales in Singapore.

Revenue by Business Segments	GROUP				Change +ve/(-ve) %
	FY2016 S\$'000	% Contribution	FY2015 S\$'000	% Contribution	
Commercial and light industrial (refrigeration)	33,459	85.4%	27,635	79.4%	21.1
Residential and commercial (air-conditioning)	4,027	10.3%	4,370	12.6%	(7.8)
Oil, marine and gas (refrigeration and air-conditioning)	1,676	4.3%	2,806	8.0%	(40.3)
	<u>39,162</u>	<u>100%</u>	<u>34,811</u>	<u>100%</u>	

Compared to FY2015, revenue from the commercial and light industrial (refrigeration) segment increased by S\$5.8 million in FY2016. Revenue from the residential and commercial (air-conditioning) as well as the oil, marine and gas (refrigeration and air-conditioning) segments decreased by S\$0.3 million and S\$1.1 million respectively in FY2016, as compared to FY2015.

Gross profit and gross profit margin

The Group's gross profit decreased by S\$0.4 million or 3.6%, to S\$9.6 million in FY2016 from S\$10.0 million in FY2015 while gross profit margin decreased by 4.1ppt to 24.6% from 28.7% over the comparative periods. The lower margin was mainly due to: (i) the consolidation exercise which included retrenchment and related costs of S\$0.3 million; and (ii) lower margin from bulk sales to customers.

Other operating income

Other operating income increased to S\$1.0 million in FY2016 from S\$0.9 million in FY2015 mainly due to increase in rental income of S\$0.1 million.

Distribution and selling expenses

There were no major fluctuations in distribution and selling expenses in FY2015 and FY2016.

Administrative expenses

Administrative expenses remain unchanged at S\$6.9 million. The key movement of operating expenses was mainly consisting of decrease in: (i) allowance for doubtful debts of S\$0.3 million; and (iii) payroll related costs of S\$0.2 million. The decrease was partially offset by the consolidation exercise which incurred retrenchment and related costs of S\$0.5 million.

Other operating expenses

There was no major fluctuations in other operating expenses in FY2015 and FY2016.

Finance expenses

Finance expenses increased by approximately S\$32,000 mainly due to an increase in usage of banking facilities.

Tax credit/expense

The Group recorded a tax credit of S\$0.2 million in FY2016 as compared to a tax expense of S\$0.4 million in FY2015 due to: (i) the absence of one-off tax payment relating to land use rights of S\$0.3 million in FY2015; (ii) deferred tax assets of S\$0.2 million recognized in FY2016; and (iii) decrease in current tax of S\$0.1 million in FY2016.

Review of Financial Position

Non-current assets

Non-current assets decreased to S\$18.8 million as at 31 December 2016 from S\$19.2 million as at 31 December 2015.

The decrease was mainly due to: (i) depreciation and amortisation costs of S\$1.6 million; and (ii) foreign translation loss on fixed assets of S\$0.4 million. This was partially offset by: (a) acquisition of fixed assets of S\$1.4 million; (b) acquisition of unquoted investment of S\$0.1 million; and (c) increase in deferred tax assets of S\$0.1 million.

Current assets

Current assets decreased by S\$0.6 million to S\$25.5 million as at 31 December 2016 from S\$26.1 million as at 31 December 2015.

The decrease was mainly due to decrease in: (i) inventories of S\$4.2 million; and (ii) other receivables of S\$0.4 million. This was partially offset by increase in: (a) trade debtors of S\$1.5 million; (b) advance payment to suppliers of S\$0.2 million; (c) amounts due from affiliated companies – trade of S\$0.9 million; (d) tax recoverable of S\$0.1 million; and (e) cash and cash balances of S\$1.3 million.

Current liabilities

Current liabilities increased by S\$1.4 million to S\$17.5 million as at 31 December 2016 from S\$16.1 million as at 31 December 2015.

The increase was mainly due to increase in: (i) borrowings of S\$0.5 million; (ii) amounts due to affiliated companies of S\$0.3 million; (iii) accruals and other liabilities of S\$0.4 million; (iv) advance payment from customers of S\$0.2 million; and (v) an amount due to customers for contract work-in-progress of S\$0.2 million. This was partially offset by decrease in other creditors of S\$0.2 million.

Non-current liabilities

Non-current liabilities decreased by S\$0.8 million to S\$1.6 million as at 31 December 2016 from S\$2.4 million as at 31 December 2015 mainly due to a decrease in long term borrowings.

Equity

Total equity decreased by S\$1.5 million to S\$25.2 million as at 31 December 2016 from S\$26.7 million as at 31 December 2015. The decrease was mainly due to: (i) loss for the year attributable to owners of the Company amounting to S\$1.2 million; and (ii) foreign exchange differences from overseas operations of S\$0.4 million.

Review of Cash Flow Statement

The Group generated S\$0.8 million net cash from operating activities before changes in working capital in FY2016 while net cash flows generated from operating activities amounted to S\$2.0 million. This was mainly due to cash inflows arising from working capital changes of S\$1.6 million and cash outflows arising from: (a) payment of bank interest of S\$0.4 million; and (b) payment of income tax of S\$0.2 million. The working capital changes consist of net cash inflows arising from changes in (i) inventories of S\$3.3 million; (ii) accruals and other liabilities of S\$0.4 million; (iii) advance payment from customers of S\$0.2 million; (iv) gross amount due to customers for contract work-in-progress of S\$0.2 million; and (v) other receivables of S\$0.1 million. These were partially offset by cash outflows arising from changes in: (a) trade debtors of S\$1.5 million; (b) amounts due to affiliated companies of S\$0.6 million; (c) deposits, prepayments and advance payment to suppliers of S\$0.2 million; and (d) other creditors of S\$0.2 million.

Net cash used in investing activities amounted to S\$0.3 million in FY2016. This was due to: (i) purchase of fixed assets of S\$1.4 million; and (ii) net cash outflow on acquisition of unquoted investment of S\$0.1 million. These were partially offset by: (a) dividends received of S\$0.8 million; and (b) proceeds from non-controlling interest of S\$0.4 million.

Net cash used in financing activities amounted to S\$0.3 million in FY2016. This was mainly due to repayments of term loans, trust receipts and bills payable, and finance lease obligations of S\$5.3 million, S\$1.0 million and S\$0.4 million respectively. These were partially offset by proceeds from term loans of S\$6.4 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

As part of the Group's efforts to capitalise on growth opportunities and improve operational efficiencies, the Group conducted a significant corporate restructuring exercise to consolidate its existing production of heat exchangers in Malaysia with that of its subsidiary, Eden Refrigeration Manufacturing (Jiangsu) Co., Ltd. ("ERM"), in China. ERM, located in Changzhou, Jiangsu, is a 220,000 square feet facility which will be the Group's main manufacturing facility. This consolidation is expected to be completed by the second half of 2017.

The consolidation dovetails the Group's long-term strategy to scale up the value chain by producing higher-quality and higher-value products, as well as harness economies of scale. Going forward, the Group's focus in Malaysia will be to widen and improve the distribution of its Eden brand of products including heat exchangers.

The Directors are of the view that these developments will lead to improved operational efficiency in FY2017. In view of the above and barring any unforeseen circumstances, the Group is cautiously optimistic that its FY2017 operational performance will improve from that in FY2016.

11. Dividend

(a) Current Financial Period Reported on 31 December 2016

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

Nil.

(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

Not applicable.

(d) Books Closure Date

Not applicable.

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

No dividend has been declared or recommended for FY2016.

13. Segmented revenue and results for operating 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 Group's revenue and gross profit.

Non-current assets

	FY2016 S\$'000	FY2015 S\$'000
Singapore	5,810	5,970
Malaysia	1,951	2,116
People's Republic of China	10,565	10,885
Hong Kong	17	20
Indo-China *	42	56
	18,385	19,047

* Relates to Vietnam, Myanmar and Cambodia

Non-current assets information presented above consist of fixed assets, land use rights and intangible assets. The decrease in non-current assets for Singapore, Malaysia and People's Republic of China was mainly due to depreciation and amortisation charged for the year.

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

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

15. A breakdown of sales as follows:-

	GROUP FY2016 S\$'000	FY2015 S\$'000	Increase/ (Decrease) %
(a) Sales reported for the first half year	17,086	16,280	5.0
(b) Operating loss after tax before deducting minority interests reported for the first half year	(861)	(1,532)	(43.8)
(c) Sales reported for the second half year	22,076	18,531	19.1
(d) Operating loss after tax before deducting minority interests reported for the second half year	(545)	(102)	434.3

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

No dividend has been declared or paid by the Company for FY2016 and FY2015.

17. Interested Person Transaction ("IPT")

The Group has an existing general mandate from shareholders for interested person transactions which was last renewed at the annual general meeting of the Company on 26 April 2016.

There are no interested person transactions of S\$100,000 or more during the financial year under review.

18. 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 the Director or substantial shareholders of the Company.

19. Issuer to confirm that it has procured undertaking from all its directors and executive officers in the format set out in Appendix 7H under Rule 720(1)

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

**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

24 February 2017