



FAR EAST GROUP LIMITED

远 东 集 团 有 限 公 司

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UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FULL YEAR ENDED 31 DECEMBER 2017

*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.

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PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER (“FY”) 2017

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 →		
	Unaudited FY2017 S\$'000	Audited FY2016 S\$'000	Change +ve/(-ve) %
Revenue	37,136	39,162	(5.2)
Cost of sales	(25,839)	(29,523)	(12.5)
Gross profit	11,297	9,639	17.2
Other operating income	1,229	1,003	22.5
Distribution and selling expenses	(4,961)	(4,633)	7.1
Administrative expenses	(6,299)	(6,908)	(8.8)
Other operating expenses	(331)	(310)	6.8
Share of results of joint venture	(25)	-	n.m.
Share of results of associate	(21)	-	n.m.
	(11,637)	(11,851)	(1.8)
Profit/(Loss) from operations	889	(1,209)	n.m.
Finance expenses	(413)	(400)	3.3
Interest income	35	12	191.7
Profit/(Loss) before tax	511	(1,597)	n.m.
Tax (expense)/credit	(261)	191	n.m.
Profit/(Loss) for the year	250	(1,406)	n.m.
Other comprehensive income			
Exchange differences on translating foreign operations	(128)	(541)	(76.3)
Total comprehensive income for the year	122	(1,947)	n.m.
Profit/(Loss) for the year attributable to :-			
Owners of the Company	394	(1,180)	n.m.
Non-controlling interests	(144)	(226)	(36.3)
	250	(1,406)	n.m.
Total comprehensive income for the year attributable to :-			
Owners of the Company	290	(1,575)	n.m.
Non-controlling interests	(168)	(372)	(54.8)
	122	(1,947)	n.m.

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 FY2017 S\$'000	Audited FY2016 S\$'000	Change +ve/(-ve) %
Dividend income from unquoted investment	(451)	(489)	(7.8)
Interest income	(35)	(12)	191.7
Finance expenses	413	400	3.3
(Write back of)/Allowance for obsolete and slow-moving inventories, net	(1,903)	913	n.m.
Write back of allowance for doubtful trade debts	(60)	(19)	n.m.
Allowance for doubtful trade debts	98	69	42.0
Allowance for doubtful non-trade debts	-	13	n.m.
Fixed assets written off	89	-	n.m.
Loss on disposal of fixed assets, net	1	19	(94.7)
Depreciation of fixed assets	1,314	1,497	(12.2)
Amortisation of land use rights	45	46	(2.2)
Amortisation of intangible assets	88	90	(2.2)
Foreign currency loss, net	321	257	24.9
Warranty written back, net	-	(14)	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 2017 S\$'000	Audited 31 Dec 2016 S\$'000	Unaudited 31 Dec 2017 S\$'000	Audited 31 Dec 2016 S\$'000
Non-current assets				
Fixed assets	36,779	15,754	28,680	6,805
Intangible assets	504	600	-	-
Land use rights	1,960	2,017	-	-
Investments in subsidiaries	-	-	15,102	15,002
Investment in joint venture	111	-	111	-
Investment in associate	143	-	-	-
Unquoted investments	90	238	-	-
Deferred tax assets	142	187	-	-
Deposits	10	10	-	-
Total non-current assets	<u>39,739</u>	<u>18,806</u>	<u>43,893</u>	<u>21,807</u>
Current assets				
Inventories	10,720	8,596	4,307	3,035
Trade debtors	7,513	8,113	2,700	3,425
Other receivables	2,383	554	1,606	2
Deposits	132	186	8	8
Prepayments	324	113	207	34
Advance payment to suppliers	630	405	563	191
Amounts due from subsidiaries (trade)	-	-	2,562	3,551
Amounts due from subsidiaries (non-trade)	-	-	2,517	2,150
Amounts due from affiliated companies (trade)	399	916	-	-
Tax recoverable	235	314	-	-
Fixed assets held for sale	1,154	-	1,197	-
Fixed deposits	460	499	6	6
Cash and bank balances	4,091	5,786	1,270	1,657
Total current assets	<u>28,041</u>	<u>25,482</u>	<u>16,943</u>	<u>14,059</u>
Current liabilities				
Trade payables	2,369	1,910	667	528
Advance payment from customers	773	815	159	298
Trust receipts and bills payable (secured)	4,050	4,062	4,050	3,939
Other creditors	405	503	110	156
Accruals and other liabilities	2,280	2,350	1,349	1,235
Dividend payable	115	115	114	114
Amounts due to subsidiaries (trade)	-	-	1,287	644
Amounts due to subsidiaries (non-trade)	-	-	124	104
Amounts due to affiliated companies (trade)	16	379	-	-
Amounts due to affiliated companies (non-trade)	156	170	-	-
Provision for income tax	2	7	-	-
Finance lease obligations (current)	14	78	10	75
Term loans (current)	15,058	7,759	12,470	5,424
Total current liabilities	<u>25,238</u>	<u>18,148</u>	<u>20,340</u>	<u>12,517</u>
Net current assets/(liabilities)	2,803	7,334	(3,397)	1,542
Non-current liabilities				
Deferred tax liabilities	9	9	-	-
Finance lease obligations (non-current)	69	83	49	59
Term loans (non-current)	17,057	863	17,057	672
Total non-current liabilities	<u>17,135</u>	<u>955</u>	<u>17,106</u>	<u>731</u>
Net assets	25,407	25,185	23,390	22,618
Equity attributable to owners of the Company				
Share capital	19,264	19,264	19,264	19,264
Retained earnings	6,622	6,228	3,804	3,032
Capital reserve	322	322	322	322
Translation reserve	(2,812)	(2,708)	-	-
	<u>23,396</u>	<u>23,106</u>	<u>23,390</u>	<u>22,618</u>
Non-controlling interests	2,011	2,079	-	-
Total equity	<u>25,407</u>	<u>25,185</u>	<u>23,390</u>	<u>22,618</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 2017		As at 31 December 2016	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Repayable in one year or less, or on demand	19,122	-	11,899	-
Repayable after one year	17,126	-	946	-
Total borrowings	36,248	-	12,845	-

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.

The increase in borrowings in as at 31 December 2017 as compared to 31 December 2016 mainly relates to a loan of S\$24.1 million taken for the purchase of land and building at 51 Ubi Avenue 3 which the Group acquired in December 2017.

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 →	
	Unaudited FY2017 S\$'000	Audited FY2016 S\$'000
Cash flows from operating activities		
Profit/(Loss) before tax	511	(1,597)
Adjustments:		
Allowance for doubtful trade debts	98	69
Allowance for doubtful non-trade debts	-	13
Write back of allowance for doubtful trade debts	(60)	(19)
(Write back of)/Allowance for obsolete and slow-moving inventories, net	(1,903)	913
Fixed assets written off	89	-
Loss on disposal of fixed assets, net	1	19
Depreciation of fixed assets	1,314	1,497
Dividend income from unquoted investment	(451)	(489)
Amortisation of intangible assets	88	90
Amortisation of land use rights	45	46
Warranty written back, net	-	(14)
Finance expenses	413	400
Interest income	(35)	(12)
Translation difference	4	(85)
Share of results of associate	21	-
Share of results of joint venture	25	-
Operating cash flows before working capital changes	160	831
<i>(Increase)/Decrease in:</i>		
Inventories	(221)	3,323
Trade debtors	562	(1,546)
Other receivables	(1,539)	115
Deposits, prepayments and advance payment to suppliers	(382)	(244)
<i>Increase/(Decrease) in:</i>		
Trade payables	459	43
Advance payment from customers	(42)	352
Other creditors	(98)	(210)
Accruals and other liabilities	(70)	379
Amount due to affiliated companies, net	140	(565)
Cash flows (used in)/generated from operations	(1,031)	2,478
Interest paid	(413)	(400)
Income taxes paid	(190)	(220)
Income taxes refunded	49	102
Interest income	35	12
Net cash flows (used in)/generated from operating activities	(1,550)	1,972
Cash flows from investing activities		
Proceeds from disposal of fixed assets	12	44
Purchase of fixed assets	(23,687)	(1,372)
Dividends received	161	750
Net cash outflow on acquisition of unquoted investment	-	(146)
Capital contribution from non-controlling interest	100	406
Net cash outflow on investment in associate	(20)	-
Net cash outflow on investment in joint venture	(136)	-
Net cash flows used in investing activities	(23,570)	(318)

	← GROUP →	
	Unaudited FY2017 S\$'000	Audited FY2016 S\$'000
Cash flows from financing activities		
Trust receipts and bills payable	(12)	(1,051)
Repayment of finance lease obligations	(78)	(397)
Repayment of term loans	(6,612)	(5,328)
Proceeds from term loans	30,105	6,440
Net cash flows generated from/(used in) financing activities	23,403	(336)
Net (decrease)/increase in cash and cash equivalents		
Effect of exchange rate changes on cash and cash equivalents	(1,717)	1,318
Cash and cash equivalents at beginning of year	(17)	(11)
	6,285	4,978
Cash and cash equivalents at end of year	4,551	6,285
Cash and cash equivalents consist of the following :		
Cash and bank balances	4,091	5,786
Fixed deposits	460	499
	4,551	6,285

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	S\$'000
GROUP							
Balance at 1 January 2017	25,185	23,106	19,264	6,228	322	(2,708)	2,079
Profit/(loss) for the year	250	394	-	394	-	-	(144)
Other comprehensive income	(128)	(104)	-	-	-	(104)	(24)
Total comprehensive income	122	290	-	394	-	(104)	(168)
Capital contribution from non-controlling interest	100	-	-	-	-	-	100
Balance at 31 December 2017	25,407	23,396	19,264	6,622	322	(2,812)	2,011
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)
Capital contribution from non-controlling interest	406	-	-	-	-	-	406
Balance at 31 December 2016	25,185	23,106	19,264	6,228	322	(2,708)	2,079
COMPANY							
Balance at 1 January 2017	22,618	22,618	19,264	3,032	322	-	-
Profit for the year	772	772	-	772	-	-	-
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income	772	772	-	772	-	-	-
Balance at 31 December 2017	23,390	23,390	19,264	3,804	322	-	-
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	-	-

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 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 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 2017 to 31 December 2017.

The Company did not have any convertible securities, treasury shares and subsidiary holdings as at 31 December 2016 and 31 December 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 31 December 2017 was 108,480,000 (as at 31 December 2016: 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 current financial reporting period as those applied in the preparation of the audited financial statements for the financial year ended 31 December 2016.

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 2017. The adoption of these new and revised FRS and IFRS did not result in material adjustments to the financial position, results of operations or cash flows of the Group for the financial year ended 31 December 2017.

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	
	FY2017	FY2016
Net profit/(loss) after tax attributable to owners of the Company (S\$'000)	394	(1,180)
Weighted average number of ordinary shares ('000)	108,480	108,480
Earnings/(Loss) per share - basic/fully diluted (cents)	0.36	(1.09)

The Company has no dilutive equity instruments as at 31 December 2017 and 31 December 2016.

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.

	GROUP		COMPANY	
	As at 31 Dec 2017	As at 31 Dec 2016	As at 31 Dec 2017	As at 31 Dec 2016
Net asset value (S\$'000)	23,396	23,106	23,390	22,618
Number of ordinary shares ('000)	108,480	108,480	108,480	108,480
Net asset value per share (cents)	21.6	21.3	21.6	20.8

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 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 decreased by S\$2.1 million or 5.2%, to S\$37.1 million in FY2017 from S\$39.2 million in FY2016, mainly due to decreased sales from Singapore, Hong Kong and Indonesia markets. The decrease was partially offset by higher sales in China, Malaysia and Vietnam markets.

Revenue by Business Segments	GROUP				Change +ve/(-ve) %
	FY2017 S\$'000	% Contribution	FY2016 S\$'000	% Contribution	
Commercial and light industrial (refrigeration)	32,293	87.0%	33,459	85.4%	(3.5)
Residential and commercial (air-conditioning)	3,793	10.2%	4,027	10.3%	(5.8)
Oil, marine and gas (refrigeration and air-conditioning)	1,050	2.8%	1,676	4.3%	(37.4)
	<u>37,136</u>	<u>100%</u>	<u>39,162</u>	<u>100%</u>	

Revenue from the commercial and light industrial (refrigeration) segment, the residential and commercial (air-conditioning) segment and the oil, marine and gas (refrigeration and air-conditioning) segments decreased by S\$1.3 million, S\$0.2 million and S\$0.6 million respectively in FY2017, as compared to FY2016.

Gross profit and gross profit margin

The Group's gross profit increased by S\$1.7 million or 17.2%, to S\$11.3 million in FY2017 from S\$9.6 million in FY2016, while gross profit margin increased by 5.8ppt to 30.4% from 24.6% over the comparative periods. The higher margin was mainly due to write-back of stocks provision in FY2017.

Other operating income

Other operating income increased to S\$1.2 million in FY2017 from S\$1.0 million in FY2016 mainly due to (i) increase in rental income of S\$0.1 million; and (ii) government grant received of S\$0.1 million.

Distribution and selling expenses

Distribution and selling expenses increased to S\$5.0 million in FY2017 from S\$4.6 million in FY2016 mainly due to (i) increase in exhibition and seminar expenses of S\$0.2 million; (ii) increase in payroll related costs of S\$0.1 million; and (iii) increase in commission expenses of S\$0.1 million.

Administrative expenses

Administrative expenses decreased to S\$6.3 million in FY2017 from S\$6.9 million in FY2016 mainly due to decrease in (i) logistic and professional fees of S\$0.3 million; and (ii) payroll related costs of S\$0.3 million.

Other operating expenses

There were no major variances in other operating expenses between FY2017 and FY2016.

Finance expenses

There were no major variances in finance expenses between FY2017 and FY2016.

Tax credit/expense

The Group recorded a tax expense of S\$0.3 million in FY2017 as compared to a tax credit of S\$0.2 million in FY2016. The increase is mainly due to provision for FY2017 corporate tax expenses of S\$0.3 million and absence of deferred tax assets of S\$0.2 million recognized in FY2016.

Review of Financial Position

Non-current assets

Non-current assets increased to S\$39.7 million as at 31 December 2017 from S\$18.8 million as at 31 December 2016.

The increase was mainly due to acquisition of fixed assets of S\$23.6 million. This was partially offset by: (a) depreciation and amortisation costs of S\$1.4 million; (b) foreign translation loss on fixed assets of S\$0.1 million; and (c) reclassification of leasehold land and building in Singapore and freehold land and building in Malaysia to fixed assets held for sale of S\$1.2 million.

Current assets

Current assets increased by S\$2.5 million to S\$28.0 million as at 31 December 2017 from S\$25.5 million as at 31 December 2016.

This was mainly due to (i) increase in inventories of S\$2.2 million; (ii) increase in other receivables and prepayments of S\$2.0 million; and (iii) reclassification of leasehold land and building, freehold land and building to fixed assets held for sale of S\$1.2 million. This was partially offset by decreases in: (a) trade debtors of S\$0.6 million; (b) amounts due from affiliated companies – trade of S\$0.5 million; (c) cash and cash balances of S\$1.7 million; and (d) tax recoverable of S\$0.1 million.

Current liabilities

Current liabilities increased by S\$7.1 million to S\$25.2 million as at 31 December 2017 from S\$18.1 million as at 31 December 2016.

The increase was mainly due to increases in: (i) borrowings of S\$7.2 million; and (ii) trade payables of S\$0.5 million, partially offset by decreases in: (a) amounts due to affiliated companies of S\$0.4 million; (b) advance payments from customers of S\$0.1 million; and (c) other creditors of S\$0.1 million.

Non-current liabilities

Non-current liabilities increased by S\$16.1 million to S\$17.1 million as at 31 December 2017 from S\$1.0 million as at 31 December 2016 mainly due to an increase in long-term borrowings.

Equity

Total equity increased by S\$0.2 million to S\$25.4 million in FY2017 mainly due to the current year profit of S\$0.4 million offset by changes in translation reserve of S\$0.1 million and non-controlling interests of S\$0.1 million.

Review of Cash Flow Statement

The Group generated S\$0.2 million net cash in operating activities before changes in working capital in FY2017, while net cash flows used in operating activities amounted to S\$1.6 million. This was mainly due to cash outflows arising from (a) working capital changes of S\$1.2 million; (b) payment of bank interest of S\$0.4 million; and (c) payment of income tax of S\$0.2 million. The working capital changes consist of net cash outflows arising from changes in (i) other receivables of S\$1.5 million; (ii) accruals and other liabilities of S\$0.1 million; (iii) deposits, prepayments and advance payment to suppliers of S\$0.4 million; (iv) inventories of S\$0.2 million; and (v) other creditors of S\$0.1 million. These were partially offset by cash inflows arising from changes in (a) trade debtors of S\$0.6 million; (b) trade payables of S\$0.4 million; and (c) amounts due to affiliated companies of S\$0.1 million.

Net cash used in investing activities amounted to S\$23.6 million in FY2017. This was due to: (i) purchase of fixed assets of S\$23.7 million; and (ii) net cash outflow on investment in joint venture of S\$0.1 million. These were partially offset by dividends received of S\$0.2 million.

Net cash generated from financing activities amounted to S\$23.4 million in FY2017. This was mainly due to proceeds from term loans of S\$30.1 million. These were partially offset by repayments of term loans and finance lease obligations of S\$6.6 million and S\$0.1 million respectively.

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

FY2017 has been a tough year for the Group to work on a turn-around and steer the Group back to profitability. This is done with the corporate restructuring exercise to consolidate its existing production of heat exchangers in Malaysia with that of our subsidiary, Eden Refrigeration Manufacturing (Jiangsu) Co., Ltd. ("ERM"), in China. The Group also increased its distribution network in the regions where the Group operates. Both strategies being in line with the long-term vision to develop economies of scale and to move up the HVAC&R value chain. The Group's acquisition of a new building in Singapore will add value to allow for business expansion and new product development.

Going into FY2018, while the management expects competition to remain stiff, the Group intends to focus more on research and development which includes offering of products using natural gas such as Carbon Dioxide (CO₂) to minimise the carbon footprint. Continuing our efforts from FY2017, the Group looks forward to completing its full range of next generation heat exchangers which not only improve performance and efficiency but also position the Group to address the fast-changing requirement for environmentally friendly refrigerants. The Group will also be launching our compact-designed packaged units which would offer convenience in installation and reduction in operating and maintenance costs which will allow us to support our regional distribution network and move into the volume market.

The Directors are of the view that these developments will lead the Group to a new level of technological competitiveness in FY2018.

11. Dividend

(a) Current Financial Period Reported on 31 December 2017

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

Name of dividend	Final
Dividend type	Cash
Dividend rate	S\$0.0018 per ordinary share
Tax rate	Tax exempt (one-tier)

The proposed final tax-exempt dividend in respect of FY2017 is subject to shareholders' approval at the Annual General Meeting of the Company to be convened.

(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

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

(d) Books Closure Date

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. 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

	FY2017 S\$'000	FY2016 S\$'000
Singapore	28,878	5,810
Malaysia	333	1,951
People's Republic of China	9,986	10,551
Hong Kong	20	17
Indo-China*	26	42
	39,243	18,371

* Related to Vietnam, Myanmar and Cambodia

Non-current assets information presented above consisted of fixed assets, land use rights and intangible assets. The increase in non-current assets for Singapore was mainly due to the purchase of leasehold land and building in FY2017 and offset by reclassification of leasehold land and building to fixed assets held for sale under current assets. The decrease in non-current assets for Malaysia was mainly due to reclassification of freehold land and building to fixed assets held for sale under current assets.

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 Group's revenue and gross profit.

15. A breakdown of sales as follows:-

	← GROUP →		Increase/ (Decrease)
	FY2017 S\$'000	FY2016 S\$'000	%
(a) Sales reported for the first half year	17,215	17,086	0.8
(b) Operating profit/(loss) after tax before deducting minority interests reported for the first half year	149	(861)	117.3
(c) Sales reported for the second half year	19,921	22,076	(9.8)
(d) Operating profit/(loss) after tax before deducting minority interests reported for the second half year	101	(545)	(118.5)

16. 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 2017 S\$'000	Year Ended 31 Dec 2016 S\$'000
Ordinary dividend	200	-
Preference dividend	-	-
Total annual dividend	200	-

17. 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.

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 shareholder 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) of the Catalist Rules.

**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

28 February 2018