

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FULL YEAR ENDED 31 DECEMBER 2015

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PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS ENDED 31 DECEMBER 2015 (“FY2015”)

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 FY2015 S\$'000	Audited FY2014 S\$'000	Change +ve/(-ve) %
Revenue	34,811	36,670	(5.1)
Cost of sales	(25,797)	(24,971)	3.3
Gross profit	9,014	11,699	(23.0)
Other operating income	1,585	1,143	38.7
Distribution and selling expenses	(4,597)	(3,903)	17.8
Administrative expenses	(6,878)	(7,077)	(2.8)
Other operating expenses	(4)	(35)	(88.6)
	(11,479)	(11,015)	4.2
(Loss)/Profit from operations	(880)	1,827	n.m
Finance expenses	(368)	(341)	7.9
Interest income	22	10	120.0
(Loss)/Profit before tax	(1,226)	1,496	n.m
Tax expense	(408)	(282)	44.7
(Loss)/Profit for the year	(1,634)	1,214	n.m
Other comprehensive income			
Exchange differences on translating foreign operations	(670)	(56)	1,096.4
Total comprehensive income for the year	(2,304)	1,158	n.m
(Loss)/Profit for the year attributable to :-			
Equity holders of the Company	(1,278)	1,268	n.m
Non-controlling interests	(356)	(54)	559.3
	(1,634)	1,214	n.m
Total comprehensive income for the year attributable to :-			
Equity holders of the Company	(2,038)	1,211	n.m
Non-controlling interests	(266)	(53)	401.9
	(2,304)	1,158	n.m

n.m : not meaningful

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

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

	← GROUP →		
	Unaudited FY2015 S\$'000	Audited FY2014 S\$'000	Change +ve/(-ve) %
Dividend income from unquoted investment	(453)	(369)	22.8
Interest income	(22)	(10)	120.0
Finance expenses	368	341	7.9
Inventories written down/(back), net	1,021	(378)	n.m
Allowance for doubtful trade debts	361	50	622.0
Allowance for doubtful trade debts written back	-	(3)	n.m
Fixed assets written off	1	3	(66.7)
(Gain)/Loss on disposal of fixed assets, net	(37)	4	n.m
Depreciation of fixed assets	1,486	1,248	19.1
Amortisation of land use rights	47	46	2.2
Amortisation of intangible assets	94	89	5.6
Foreign exchange gain, net	(716)	(69)	937.7
Gain on disposal of subsidiary's business	-	(324)	n.m
Warranty written back	(14)	(109)	(87.2)

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 2015 S\$'000	Audited 31 Dec 2014 S\$'000	Unaudited 31 Dec 2015 S\$'000	Audited 31 Dec 2014 S\$'000
Non-current assets				
Fixed assets	16,228	17,316	7,037	7,320
Land use rights	2,102	2,129	-	-
Intangible assets	717	797	-	-
Investments in subsidiary companies	-	-	15,202	15,202
Unquoted investment	91	90	-	-
Other receivables	24	13	-	-
Deferred tax assets	62	131	62	-
Total non-current assets	19,224	20,476	22,301	22,522
Current assets				
Inventories	12,832	11,418	5,533	5,485
Trade debtors	6,618	7,419	2,824	3,830
Other receivables	932	837	30	64
Deposits	181	153	10	23
Prepayments	74	117	40	61
Advance payment to suppliers	191	497	95	412
Due from subsidiary companies (trade)	-	-	3,729	1,225
Due from subsidiary companies (non-trade)	-	-	1,005	540
Due from affiliated companies (trade)	9	-	-	-
Tax recoverable	235	409	46	8
Fixed deposits	490	443	6	6
Cash and bank balances	4,488	5,694	1,158	2,664
Total current assets	26,050	26,987	14,476	14,318
Current liabilities				
Trade payables	1,867	1,953	748	1,107
Trust receipts and bills payable (secured)	5,113	3,293	4,894	2,998
Gross amount due to customers for contract work-in-progress	112	15	-	15
Other creditors	713	641	330	275
Accruals and other liabilities	2,323	2,484	1,305	1,495
Provision for warranty	14	28	14	28
Dividend payable	115	143	114	112
Due to subsidiary companies (trade)	-	-	918	1,053
Due to subsidiary companies (non-trade)	-	-	103	130
Due to affiliated company (trade)	41	39	-	-
Due to affiliated company (non-trade)	166	155	-	-
Provision for income tax	15	238	-	-
Finance lease obligations (current)	382	428	382	416
Term loans (current)	5,256	4,292	3,860	3,124
Total current liabilities	16,117	13,709	12,668	10,753
Net current assets	9,933	13,278	1,808	3,565
Non-current liabilities				
Deferred tax liabilities	104	150	-	85
Finance lease obligations (non-current)	73	455	65	447
Term loans (non-current)	2,254	3,772	2,254	3,772
Total non-current liabilities	2,431	4,377	2,319	4,304
Total net assets	26,726	29,377	21,790	21,783
Share capital and reserves				
Share capital	19,264	19,264	19,264	19,264
Retained earnings	7,408	9,033	2,204	2,197
Capital reserve	322	322	322	322
Translation reserve	(2,313)	(1,553)	-	-
	24,681	27,066	21,790	21,783
Non-controlling interests	2,045	2,311	-	-
Total equity	26,726	29,377	21,790	21,783

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 2015		As at 31 December 2014	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Repayable in one year or less, or on demand	10,751	-	8,013	-
Repayable after one year	2,327	-	4,227	-
Total borrowings	13,078	-	12,240	-

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

	← GROUP →	
	Year Ended 31 December	
	2015	2014
	S\$'000	S\$'000
Cash flows from operating activities		
(Loss)/Profit before tax	(1,226)	1,496
Adjustments:		
Allowance for doubtful trade debts	361	50
Allowance for doubtful trade debts written back	-	(3)
Inventories written down/(back), net	1,021	(378)
Fixed assets written off	1	3
(Gain)/Loss on disposal of fixed assets, net	(37)	4
Depreciation of fixed assets	1,486	1,248
Dividend income from unquoted investment	(453)	(369)
Amortisation of land use rights	47	46
Amortisation of intangible assets	94	89
Warranty written back	(14)	(109)
Finance expenses	368	341
Interest income	(22)	(10)
Translation difference	(581)	(69)
	1,045	2,339
Operating profit before working capital changes		
<i>(Increase)/Decrease in:</i>		
Trade debtors	440	152
Other receivables	347	769
Deposits and prepayments	321	478
Inventories	(2,435)	(654)
<i>Increase/(Decrease) in:</i>		
Trade payables	(86)	(459)
Gross amount due to customers for contract work-in-progress	97	15
Other creditors	44	250
Accruals and other liabilities	(161)	260
Due to affiliated companies, net	4	25
	(384)	3,175
Cash (used in)/generated from operations		
Interest paid	(368)	(341)
Income taxes paid	(444)	(431)
Income taxes refunded	10	-
Interest income	22	10
	(1,164)	2,413
Net cash (used in)/generated from operating activities		
Cash flows from investing activities		
Proceeds from sale of fixed assets	39	-
Purchase of fixed assets	(536)	(895)
Dividends received	-	208
	(497)	(687)
Net cash used in investing activities		

← GROUP →

Year Ended 31 December

	2015 S\$'000	2014 S\$'000
Cash flows from financing activities		
Dividends paid	(347)	(629)
Fixed deposits pledged to bank	-	431
Draw down/(Repayment) of trust receipts and bills payable	1,820	(1,479)
Repayment of finance lease obligations	(428)	(699)
Repayment of term loans	(4,156)	(2,024)
Proceeds from term loans	3,602	1,919
Net cash generated from/(used in) financing activities	<u>491</u>	<u>(2,481)</u>
Net decrease in cash and cash equivalents	(1,170)	(755)
Effect of exchange rate changes on cash and cash equivalents	11	34
Cash and cash equivalents at beginning of year	6,137	6,858
Cash and cash equivalents at end of year	<u><u>4,978</u></u>	<u><u>6,137</u></u>
Cash and cash equivalents consist of the following :		
Cash and bank balances	4,488	5,694
Fixed deposits	490	443
	<u><u>4,978</u></u>	<u><u>6,137</u></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 equity holders of the Company						Non-controlling interests
	Equity, total	Equity attributable to owners of the parent, 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 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
Balance at 1 January 2014	28,837	26,473	19,264	8,383	322	(1,496)	2,364
Profit for the year	1,214	1,268	-	1,268	-	-	(54)
Other comprehensive income	(56)	(57)	-	-	-	(57)	1
Total comprehensive income	1,158	1,211	-	1,268	-	(57)	(53)
Dividend paid	(618)	(618)	-	(618)	-	-	-
Balance at 31 December 2014	29,377	27,066	19,264	9,033	322	(1,553)	2,311
COMPANY							
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	-	-
Balance at 1 January 2014	21,630	21,630	19,264	2,044	322	-	-
Profit for the year	771	771	-	771	-	-	-
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income	771	771	-	771	-	-	-
Dividend paid	(618)	(618)	-	(618)	-	-	-
Balance at 31 December 2014	21,783	21,783	19,264	2,197	322	-	-

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 January 2015 to 31 December 2015.

The Company does not have any convertible securities.

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

The total number of issued shares (excluding treasury shares) as at 31 December 2015 was 108,480,000 (as at 31 December 2014: 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

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 2014.

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 2015. 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 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

Not applicable.

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

	GROUP	
	FY2015	FY2014
Net (loss)/profit after tax attributable to equity holders of the Company (S\$'000)	(1,278)	1,268
Weighted average number of ordinary shares ('000)	108,480	108,480
Earning per share - basic/fully diluted (cents)	(1.18)	1.17

The Company has no dilutive equity instruments as at 31 December 2015 and 31 December 2014.

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 2015	As at 31 Dec 2014	As at 31 Dec 2015	As at 31 Dec 2014
Net asset value (S\$'000)	24,681	27,066	21,790	21,783
Number of ordinary shares ('000)	108,480	108,480	108,480	108,480
Net asset value per share (cents)	22.8	25.0	20.1	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 performance

Revenue

Revenue decreased by S\$1.9 million or 5.1%, from S\$36.7 million in FY2014 to S\$34.8 million in FY2015. This was mainly due to a slowdown in projects from the China, Indonesia, Sri Lanka and Singapore markets. The decrease was partially reduced by an increase in revenue from the Vietnam and Malaysia markets.

Revenue by Business Segments	GROUP				Change +ve/(-ve) %
	FY2015 S\$'000	% Contribution	FY2014 S\$'000	% Contribution	
Residential and commercial (air-conditioning)	4,370	12.6%	5,069	13.8%	(13.8)
Oil, marine and gas (refrigeration and air-conditioning)	2,806	8.0%	3,249	8.9%	(13.6)
Commercial and light industrial (refrigeration)	27,635	79.4%	28,352	77.3%	(2.5)
	<u>34,811</u>	<u>100%</u>	<u>36,670</u>	<u>100%</u>	

Revenue from commercial and light industrial (refrigeration) and oil, marine and gas (refrigeration and air-conditioning) and residential and commercial (air-conditioning) decreased by S\$0.7 million, S\$0.5 million and S\$0.7 million respectively in FY2015 as a result of the slowdown in projects as mentioned above.

Gross profit and gross profit margin

In line with the decrease in revenue, the Group's gross profit decreased by S\$2.7 million or 23.0%, from S\$11.7 million in FY2014 to S\$9.0 million in FY2015. The Group's gross profit margin decreased by 6.0 ppt from 31.9% in FY2014 to 25.9% in FY2015. The decrease was mainly due to (i) lower margin from bulk sales to customers; (ii) slowdown in China market; and (iii) a significant provision for stocks obsolescence made in FY2015 compared to a write back in the same comparative period last year. Excluding the provision/write back of stocks obsolescence, gross profit margin would be 28.8% in FY2015 compared to 30.9% in FY2014.

Other operating income

Other operating income increased from S\$1.1 million in FY2014 to S\$1.6 million in FY2015 mainly due to increase in gain on foreign exchange of S\$0.7 million and increase in dividend income from unquoted investment of approximately S\$0.1 million. The increase was partially offset by one-off income from partial sale of Green Point Singapore Pte Ltd's business of S\$0.3 million in FY2014.

Distribution and selling expenses

Distribution and selling expenses increased from S\$3.9 million in FY2014 to S\$4.6 million in FY2015 due to (i) reclassification of sales related payroll cost of S\$0.6 million from administrative expenses and (ii) increase in exhibition expenses of S\$0.1 million.

Administrative expenses

Administrative expenses decreased from S\$7.1 million in FY2014 to S\$6.9 million in FY2015 due to reclassification of sales related payroll cost of S\$0.6 million to distribution and selling expenses. The decrease was partially offset by an increase in (i) allowance of doubtful debts of S\$0.3 million and (ii) IT maintenance expense of S\$0.1 million.

Other operating expenses

Other operating expenses decreased by approximately S\$31,000 mainly due to decrease in donation and pre-operating expenses.

Finance expenses

Finance expenses increased by approximately S\$27,000 mainly due to the additional borrowings in FY2015.

Tax expense

Tax expense increased by S\$0.1 million from S\$0.3 million in FY2014 to S\$0.4 million in FY2015. The increase was mainly due to one-off tax payment imposed for the land use rights incentive of S\$0.3 million, partially offset by reversal of deferred tax of S\$0.2 million.

Review of Financial Position

Non-current assets

Non-current assets decreased by S\$1.3 million from S\$20.5 million as at 31 December 2014 to S\$19.2 million as at 31 December 2015.

The decrease was mainly due to depreciation and amortisation costs of S\$1.7 million and decrease in deferred tax assets of S\$0.1 million. The decrease was partially offset by the acquisition of fixed assets of S\$0.5 million.

Current assets

Current assets decreased by S\$1.0 million from S\$27.0 million as at 31 December 2014 to S\$26.0 million as at 31 December 2015.

The decrease was mainly due to (i) decrease in cash and bank balances of S\$1.2 million; (ii) decrease in trade and other receivables of S\$0.7 million; (iii) decrease in advance payment to suppliers of S\$0.3

million; and (iv) decrease in tax recoverable of S\$0.2 million. The decrease was partially offset by increase in inventories of S\$1.4 million.

Current liabilities

Current liabilities increased by S\$2.4 million from S\$13.7 million as at 31 December 2014 to S\$16.1 million as at 31 December 2015.

The increase was mainly due to (i) increase in borrowings of S\$2.7 million and (ii) increase in other creditors of S\$0.1 million. The increase was partially offset by (a) decrease in accruals and other liabilities of S\$0.2 million and (b) decrease in provision for income tax of S\$0.2 million.

Non-current liabilities

Non-current liabilities decreased by S\$2.0 million from S\$4.4 million as at 31 December 2014 to S\$2.4 million as at 31 December 2015. The decrease was mainly due to (i) decrease in long term borrowings of S\$1.9 million; and (ii) decrease in deferred tax liabilities of S\$0.1 million.

Equity

Share capital and reserves decreased by S\$2.7 million from S\$29.4 million as at 31 December 2014 to S\$26.7 million as at 31 December 2015. The decrease was mainly due to (i) loss for the year amounting to S\$1.6 million; (ii) exchange differences on translating foreign operations of S\$0.8 million; and (iii) dividend payment of S\$0.3 million.

Review of Cash Flow Statement

Net cash generated from operating activities before changes in working capital was approximately S\$1.0 million. Net cash used in operating activities amounted to S\$1.2 million. This was mainly due to cash outflows arising from (i) inventories of S\$2.4 million; (ii) accruals and other liabilities of S\$0.2 million; (iii) trade payables of S\$0.1 million; (iv) payment of bank interest of S\$0.4 million; and (v) payment of income tax of S\$0.4 million. These were partially offset by cash inflows arising from (i) trade debtors of S\$0.4 million; (ii) other receivables of S\$0.4 million; (iii) deposits and prepayments of S\$0.3 million; (iv) other creditors of S\$0.1 million; and (v) gross amount due to customers for contract work-in-progress of S\$0.1 million.

Net cash used in investing activities of approximately S\$0.5 million was due to purchase of fixed assets.

Net cash generated from financing activities of S\$0.5 million included (i) repayment of term loans and finance leases of S\$4.2 million and S\$0.4 million respectively; and (ii) dividend payout of S\$0.3 million. These were partially offset by proceeds from term loans and trust receipts and bills payable of S\$3.6 million and S\$1.8 million respectively.

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

The unaudited financial results for FY2015 set out in this announcement are in line with the profit guidance announcement released by the Company on 5 February 2016.

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

The general economic environment was slow in 2015 and the management does not see any recovery in 2016. China, the world's second largest economy and one of our key markets which we targeted for our Group's growth, has recorded one of its slowest economic growth in six years at close to 7%. This has an impact across various industries and sectors across the world. On the ground, there are many projects that have been put on hold and delayed due to the shortage of financing. An overheated property market and construction sector has put pressure on manufacturers to tighten controls on costs to maintain viability.

The USA has edged towards a slow but steady recovery and at the same time, hinted that interest rates may rise gradually. With the recovery, imports from the USA have become more expensive and adds pressure to our margins. Our competitors have also responded by lowering their prices to compete in this economic slowdown. This competition is especially felt in the ASEAN region where we operate in.

Amidst the gloomy picture that is painted out above, the management has put in place plans to prepare our operations to take on the challenging environment that we are headed towards by continually exploring costs reductions and to improve on the production processes. China remains a key market for our Group to grow and expand regardless of the economic slowdown. We have also enhanced our efforts in reducing costs of production by better control of the use of materials and material costs and enhancing efficiencies in manufacturing. As the supply chain gets affected, equipment distributors and manufacturers like ourselves get affected as well. To maintain our competitive strengths, we have put in continual efforts to expand our distribution network in the region and arranged for more direct imports from our suppliers to lower freight, logistic and other operating costs. Our Group will continue to be cautious in our endeavors to maximize the use of resources and to pursue partnerships that will enable us to derive synergies in our operations in the future.

11. Dividend

(a) Current Financial Period Reported on 31 December 2015

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?

Yes.

The following dividend was declared to the shareholders of the Company on the register of shareholders as at 27 May 2015.

Name of dividend	Final dividend for financial year ended 31 December 2014
Dividend type	Ordinary
Dividend rate	S\$0.0032 tax exempt (one-tier) per ordinary share
Tax rate	Tax exempt (one-tier)
Date paid	5 June 2015
Date declared	28 April 2015

(c) Date Payable

Not applicable.

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

No dividend has been declared or recommended for FY2015.

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

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

Non-current assets

	FY2015	FY2014
	S\$'000	S\$'000
Singapore	5,970	6,177
Malaysia	2,116	2,591
People's Republic of China	10,885	11,383
Hong Kong	20	25
Indo-China *	56	66
	<u>19,047</u>	<u>20,242</u>

* 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 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 business or geographical 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 →		
	FY2015	FY2014	Increase/ (Decrease)
	S\$'000	S\$'000	%
(a) Sales reported for the first half year	16,280	16,925	(3.8)
(b) Operating (loss)/profit after tax before deducting minority interests reported for the first half year	(1,532)	465	n.m
(c) Sales reported for the second half year	18,531	19,745	(6.1)
(d) Operating (loss)/profit after tax before deducting minority interests reported for the second half year	(102)	749	n.m

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 2015 S\$'000	Year Ended 31 Dec 2014 S\$'000
Ordinary	-	347 ⁽¹⁾
Preference	-	-
Total	-	347

Note:-

- (1) Relates to final dividend declared in respect of FY2014 which was fully paid in FY2015 following approval by shareholders at the Company's Annual General Meeting held on 28 April 2015.

17. Interested Person Transaction ("IPT")

The Group has not obtained a general mandate from shareholders for interested person transactions. There are no interested person transactions of S\$100,000 or more during FY2015.

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

26 February 2016