

First Quarter Financial Statements

PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2, Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED INCOME STATEMENT

	GROUP			GROUP		
	2nd Quarter Ended 30 June		+ / (-) %	Year to Date Ended 30 June		+ / (-) %
	2017 S\$'000	2016 S\$'000		2017 S\$'000	2016 S\$'000	
Revenue	106,496	96,887	9.9	212,188	191,646	10.7
Cost of sales	(81,917)	(74,145)	10.5	(164,298)	(147,712)	11.2
Gross profit	24,579	22,742	8.1	47,890	43,934	9.0
Other income	229	163	40.5	532	1,218	(56.3)
Distribution expenses	(10,931)	(10,529)	3.8	(21,401)	(21,517)	(0.5)
Administrative expenses	(8,203)	(7,503)	9.3	(15,634)	(14,876)	5.1
Other expenses	(722)	(845)	(14.6)	(2,636)	(3,048)	(13.5)
<b>Results from operating activities</b>	<b>4,952</b>	<b>4,028</b>	<b>22.9</b>	<b>8,751</b>	<b>5,711</b>	<b>53.2</b>
Net finance income	204	91	124.2	710	305	132.8
<b>Profit before tax</b>	<b>5,156</b>	<b>4,119</b>	<b>25.2</b>	<b>9,461</b>	<b>6,016</b>	<b>57.3</b>
Tax expense	(1,616)	(1,522)	6.2	(3,442)	(1,959)	75.7
<b>Profit for the period</b>	<b>3,540</b>	<b>2,597</b>	<b>36.3</b>	<b>6,019</b>	<b>4,057</b>	<b>48.4</b>
<b>Attributable to:</b>						
Owners of the Company	1,805	1,082	66.8	2,657	1,702	56.1
Non-controlling interests	1,735	1,515	14.5	3,362	2,355	42.8
<b>Profit for the period</b>	<b>3,540</b>	<b>2,597</b>	<b>36.3</b>	<b>6,019</b>	<b>4,057</b>	<b>48.4</b>

n.m. - not meaningful

1(a)(ii) Notes to the Income Statement

	GROUP		GROUP	
	2nd Quarter		Year to Date Ended	
	30 June		30 June	
	2017	2016	2017	2016
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Profit before tax is stated after (crediting) / charging:</b>				
Interest income	(535)	(521)	(1,129)	(1,040)
Dividend income	(1)	(1)	(1)	(1)
Amortisation of deferred income	(29)	(26)	(58)	(52)
(Gain)/loss on disposal of property, plant and equipment	(39)	47	(44)	220
Bad debts written off / (recovered)	82	(6)	82	(6)
Income from liquidation of an associate	-	-	-	(914)
Net (increase)/decrease in fair value of financial assets designated at fair value through profit or loss	68	218	(93)	295
Allowance for doubtful receivables	64	153	238	266
Allowance/(write back) for inventory obsolescence	78	(97)	120	(72)
Depreciation of investment properties	5	5	10	10
Depreciation of property, plant and equipment	2,031	2,131	4,106	4,276
Inventories written off	12	7	47	8
Property, plant and equipment written off	7	3	17	6
Exchange loss	567	708	2,290	2,680
Change in fair value of financial derivatives	-	(12)	-	102
Interest on borrowings	264	212	513	440
<b>Taxation</b>				
Current year tax	1,853	1,534	3,809	2,658
Under/(Over) provision of tax in respect of prior years	6	144	(6)	144
Current year deferred tax	(213)	(152)	(335)	(295)
Over provision of deferred tax in respect of prior years	(30)	(4)	(26)	(548)
	<u>1,616</u>	<u>1,522</u>	<u>3,442</u>	<u>1,959</u>

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	GROUP		GROUP		+ / (-) %	
	2nd Quarter Ended		Year to Date Ended			
	30 June		30 June			
	2017	2016	2017	2016		
	S\$'000	S\$'000	S\$'000	S\$'000		
Profit for the period	3,540	2,597	6,019	4,057	48.4	
<b>Other comprehensive income - Items that are or may be reclassified subsequently to profit or loss:</b>						
Foreign currency translation differences of foreign operations	754	(3,786)	n.m.	(2,463)	(7,223)	(65.9)
Effective portion of changes in fair value of cash flow hedges	3	9	(66.7)	(40)	(7)	471.4
Net change in fair value of available-for-sale financial assets	6	(1)	n.m.	10	(1)	n.m.
<b>Other comprehensive income for the period, net of tax</b>	<u>763</u>	<u>(3,778)</u>	n.m.	<u>(2,493)</u>	<u>(7,231)</u>	<u>(65.5)</u>
<b>Total comprehensive income for the period</b>	<u>4,303</u>	<u>(1,181)</u>	n.m.	<u>3,526</u>	<u>(3,174)</u>	n.m.
<b>Attributable to:</b>						
Owners of the Company	2,343	(1,315)	n.m.	1,049	(2,720)	n.m.
Non-controlling interests	1,960	134	1,362.7	2,477	(454)	n.m.
<b>Total comprehensive income for the period</b>	<u>4,303</u>	<u>(1,181)</u>	n.m.	<u>3,526</u>	<u>(3,174)</u>	n.m.

n.m. - not meaningful

## 1(a)(ii) Brief Review of Financial Performance

The Group's revenue for the second quarter 2017 (Q2 2017) of S\$106.50 million was 9.9% higher than the S\$96.89 million reported for the second quarter 2016 (Q2 2016). For the six months to June 2017 (H1 2017), the revenue of the Group was S\$212.19 million as compared to S\$191.65 million for the six months in 2016 (H1 2016). The increase was mainly contributed by higher demand in Packaging Business (Tat Seng Group). This increase was partially off-set by the lower revenue in the Consumer Business in Singapore due to closure of all franchise outlets.

With the increase in revenue in Q2 2017, the gross profit for Q2 2017 and H1 2017 was S\$24.58 million and S\$47.89 million respectively, an increase of 8.1% and 9.0% respectively as compared to Q2 2016 (S\$22.74 million) and H1 2016 (S\$43.93 million). The gross profit margins for Q2 2017 and H1 2017 have decreased by 0.39% and 0.35% to 23.08% and 22.57% respectively as compared to 23.47% and 22.92% for Q2 2016 and H1 2016 respectively.

Other income of S\$0.23 million in Q2 2017 was higher than S\$0.16 million in Q2 2016 mainly due to gain on disposal of property, plant and equipment in Q2 2017. Other income for H1 2017 of S\$0.53 million was lower than the S\$1.22 million reported for the six months in 2016 (H1 2016). This was mainly due to a one-off income from liquidation of an associate in Q1 2016.

Distribution expenses increased by 3.8% (S\$0.40 million) in Q2 2017 mainly due to higher staff costs from the Consumer Business in Singapore and increase in carriage outwards from Packaging Business (Tat Seng Group) as a result of higher revenue. This is offset by lower advertising & promotion expenses, commission and logistics department's staff costs from the Consumer Business in Q1 2017, resulting in a decrease in distribution expenses by 0.5% (S\$0.12 million) in H1 2017.

Administrative expenses increased by 9.3% (S\$0.70 million) in Q2 2017 and 5.1% (S\$0.76 million) in H1 2017 mainly due to higher staff incentive as a results of better performance for Packaging Business (Tat Seng Group).

Other operating expenses decreased from S\$0.85 million in Q2 2016 to S\$0.72 million in Q2 2017 and S\$3.05 million in H1 2016 to S\$2.64 million in H1 2017. This was mainly due to lower foreign exchange losses reported this year.

The results from operating activities were S\$4.95 million in Q2 2017 as compared to S\$4.03 million in Q2 2016, an increase of S\$0.92 million. For H1 2017, the results from operating activities were S\$8.75 million as compared to S\$ 5.71 million for H1 2016.

Net finance income were S\$0.20 million in Q2 2017 and S\$0.71 million in H1 2017 as compared to S\$0.09 million and S\$0.31 million in Q2 2016 and H1 2016 respectively mainly due to a net fair value gain in H1 2017 as compared to a net fair value loss on financial assets designated at fair value through profit or loss in H1 2016.

The Group achieved a higher profit before tax of S\$5.16 million in Q2 2017 as compared to S\$4.12 million in Q2 2016. For H1 2017, the profit before tax was S\$9.46 million as compared to S\$6.02 million in H1 2016. Excluding foreign exchange losses of S\$0.57 million in Q2 2017 (Q2 2016: S\$ 0.71 million) and S\$2.29 million in H1 2017 (H1 2016: S\$2.68 million) and non-recurring income from liquidation of an associate of S\$0.91 million in H1 2016, the profit before tax would be S\$5.73 million in Q2 2017 and S\$11.75 million in H1 2017 compared to S\$4.83 million in Q2 2016 and S\$7.79 million in H1 2016.

The Group's net profit after tax for Q2 2017 was S\$3.54 million as compared to S\$2.60 million reported for Q2 2016. For H1 2017, the Group recorded net profit after tax of S\$6.02 million in comparison to S\$4.06 million over the same period last year. The net profit attributable to shareholders was S\$1.81 million for Q2 2017 as compared to S\$1.08 million reported for Q2 2016. The net profit attributable to shareholders was S\$2.66 million in H1 2017 as compared to S\$1.70 million in H1 2016.

**1(b)(i) CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Note	GROUP		COMPANY	
		30/6/2017 S\$'000	31/12/2016 S\$'000	30/6/2017 S\$'000	31/12/2016 S\$'000
<b>Non-current assets</b>					
Property, plant and equipment	1	85,802	75,307	18,490	9,397
Investment properties		758	770	-	-
Subsidiaries		-	-	40,069	40,069
Other financial assets		59	49	59	49
Intangible assets		1,110	1,134	-	-
Deferred tax assets		1,769	1,504	-	-
		<u>89,498</u>	<u>78,764</u>	<u>58,618</u>	<u>49,515</u>
<b>Current assets</b>					
Other financial assets, including derivatives	2	2,134	2,041	2,134	2,041
Inventories	3	38,927	39,113	-	258
Trade and other receivables	4	145,328	141,411	37,216	47,901
Cash and cash equivalents	5	163,934	175,389	101,735	105,069
Assets held for sale		45,830	46,847	-	-
		<u>396,153</u>	<u>404,801</u>	<u>141,085</u>	<u>155,269</u>
<b>Total assets</b>		<u>485,651</u>	<u>483,565</u>	<u>199,703</u>	<u>204,784</u>
<b>Equity attributable to equity holders of the Company</b>					
Share capital		200,100	200,100	200,100	200,100
Reserves		68,744	70,460	(12,765)	(8,558)
		<u>268,844</u>	<u>270,560</u>	<u>187,335</u>	<u>191,542</u>
<b>Non-controlling interests</b>					
		52,580	51,803	-	-
<b>Total equity</b>		<u>321,424</u>	<u>322,363</u>	<u>187,335</u>	<u>191,542</u>
<b>Non-current liabilities</b>					
Loans and borrowings	6	657	1,340	-	-
Deferred income		1,095	1,176	-	-
Deferred tax liabilities		997	1,101	-	-
		<u>2,749</u>	<u>3,617</u>	<u>-</u>	<u>-</u>
<b>Current liabilities</b>					
Trade and other payables, including derivatives	7	116,021	118,957	12,368	13,242
Loans and borrowings	6	43,148	35,798	-	-
Deferred income		114	119	-	-
Current tax liabilities		2,195	2,711	-	-
		<u>161,478</u>	<u>157,585</u>	<u>12,368</u>	<u>13,242</u>
<b>Total liabilities</b>		<u>164,227</u>	<u>161,202</u>	<u>12,368</u>	<u>13,242</u>
<b>Total equity and liabilities</b>		<u>485,651</u>	<u>483,565</u>	<u>199,703</u>	<u>204,784</u>

**Note:**

- Property, plant and equipment increased by S\$10.50 million for the group in H1 2017 mainly due to re-construction of warehouse and factory.
- Other financial assets increased by S\$0.09 million for both the Group and the Company mainly due to increase in fair value of financial assets designated at fair value through profit or loss.
- At the Group level, inventories decreased by S\$0.19 million in H1 2017 mainly due to higher stockholding in December 2016 in preparation for the festive season. In addition, the closure of all franchise outlets led to a lower stockholding as compared to December 2016. However, it was partially off-set by higher stockholding of the Packaging Business in anticipation of increase in
- The increase of S\$3.92 million in trade and other receivables was mainly due to deposits paid for ERP project in Consumer Business in Singapore and Malaysia. In addition, a higher revenue achieved by the Packaging Business also contributed to the increase in trade and other receivables.
- Refer to the consolidated statement of cash flows on Page 6 for details of movements in cash and cash equivalents.
- Total loans and borrowings increased by S\$6.67 million was mainly due to increase in utilisation of bills payables of S\$10.48 million by the Packaging Business, partially off-set by repayment of term loans of S\$3.78 million.
- The decrease of S\$2.94 million in trade and other payables was due to an increase of cash payment to creditors. This was partially off-set by additional non-refundable deposits received for the disposal of the assets held-for-sale in Q1 2017.

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

	<b>As at</b>	
	<b>30/6/2017</b>	<b>31/12/2016</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Amount repayable in one year or less, or on demand		
- secured	40,219	28,639
- unsecured	2,929	7,159
	<u>43,148</u>	<u>35,798</u>
Amount repayable after one year		
- secured	28	266
- unsecured	629	1,074
	<u>657</u>	<u>1,340</u>
Total	<u>43,805</u>	<u>37,138</u>

**Details of any collateral :**

The total secured borrowings of S\$40.25 million as at 30 Jun 2017 include:

Bank loans and bill payables of S\$40.21 million, secured on leasehold land, certain leasehold buildings, certain plant and machinery and certain motor vehicle held by the Packaging Business with net book value of approximately S\$24.46 million and cash and bank balances of S\$7.32 million.

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**

	<b>GROUP</b>	
	<b>2nd Quarter Ended</b>	
	<b>30 June</b>	
<b>Note</b>	<b>2017</b>	<b>2016</b>
	S\$'000	S\$'000
<b>Cash flows from operating activities</b>		
Profit for the period	3,540	2,597
Adjustments for:		
Amortisation of deferred income	(29)	(26)
Depreciation of investment properties	5	5
Depreciation of property, plant and equipment	2,031	2,131
(Gain)/loss on disposal of property plant and equipment	(39)	47
Net finance income	(271)	(309)
Net decrease in fair value of financial assets designated at fair value through profit or loss	68	218
Property, plant and equipment written off	7	3
Change in fair value of financial derivatives	-	(12)
Tax expense	1,616	1,522
Unrealised exchange loss	973	436
	<b>7,901</b>	<b>6,612</b>
Changes in:		
- Inventories	1 (7,118)	(867)
- Trade and other receivables	2 4,112	1,446
- Trade and other payables	3 (119)	7,562
<b>Cash generated from operations</b>	<b>4,776</b>	<b>14,753</b>
Tax paid	(1,579)	(1,307)
<b>Net cash generated from operating activities</b>	<b>3,197</b>	<b>13,446</b>
<b>Cash flows from investing activities</b>		
Deposit received in relation to assets held-for-sale	-	-
Proceeds from liquidation of an associate	-	-
Interest received	562	366
Proceeds from disposal of property, plant and equipment	268	37
Purchase of property, plant and equipment	(12,341)	(5,367)
<b>Net cash used in investing activities</b>	<b>(11,511)</b>	<b>(4,964)</b>
<b>Cash flows from financing activities</b>		
(Increase)/decrease in pledged deposits	(389)	277
Interest paid	(264)	(213)
Payment of finance lease liabilities	(4)	(4)
Proceeds from borrowings	4 15,763	14,235
Repayment of borrowings	4 (14,821)	(15,866)
<b>Net cash used in financing activities</b>	<b>(4,182)</b>	<b>(2,704)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(12,496)</b>	<b>5,778</b>
Cash and cash equivalents at beginning of the period	169,889	144,943
Effect of exchange rate fluctuations on cash held	(781)	1,045
<b>Cash and cash equivalents at end of the period</b>	<b>156,612</b>	<b>151,766</b>
Comprising:		
Cash at bank and in hand	51,702	40,057
Fixed deposits with banks	112,232	115,430
	163,934	155,487
Deposits pledged	(7,322)	(3,721)
	<b>156,612</b>	<b>151,766</b>

Note:

- 1 Please refer to note 3 in consolidated statement of financial position.
- 2 Please refer to note 4 in consolidated statement of financial position.
- 3 Please refer to note 7 in consolidated statement of financial position.
- 4 Please refer to note 6 in consolidated statement of financial position.

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.

Group	Issued Capital	Treasury Shares	Share Capital	Other Reserves	Fair Value Reserve	Hedging Reserve	Translation Reserve	Retained Earnings	Total	Non-Controlling Interests	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>At 1 April 2017</b>	<b>204,327</b>	<b>(4,227)</b>	<b>200,100</b>	<b>7,816</b>	<b>37</b>	<b>(26)</b>	<b>(5,241)</b>	<b>66,582</b>	<b>269,268</b>	<b>52,320</b>	<b>321,588</b>
<b>Total comprehensive income for the period</b>											
Profit for the period	-	-	-	-	-	-	-	1,805	1,805	1,735	3,540
<b>Other comprehensive income</b>											
Foreign currency translation differences of foreign operations	-	-	-	-	-	-	531	-	531	223	754
Net change in fair value of available-for-sale financial assets	-	-	-	-	6	-	-	-	6	-	6
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	-	1	-	-	1	2	3
<b>Total other comprehensive income</b>	-	-	-	-	6	1	531	-	538	225	763
<b>Total comprehensive income for the period</b>	-	-	-	-	6	1	531	1,805	2,343	1,960	4,303
<b>Transactions with owners, recognised directly in equity</b>											
<b>Distributions to owners</b>											
Dividends paid	-	-	-	-	-	-	-	(2,767)	(2,767)	(1,700)	(4,467)
<b>Total transactions with owners</b>	-	-	-	-	-	-	-	(2,767)	(2,767)	(1,700)	(4,467)
<b>At 30 June 2017</b>	<b>204,327</b>	<b>(4,227)</b>	<b>200,100</b>	<b>7,816</b>	<b>43</b>	<b>(25)</b>	<b>(4,710)</b>	<b>65,620</b>	<b>268,844</b>	<b>52,580</b>	<b>321,424</b>
<b>At 1 April 2016</b>	<b>204,327</b>	<b>(4,227)</b>	<b>200,100</b>	<b>6,357</b>	<b>32</b>	<b>(10)</b>	<b>(1,382)</b>	<b>57,504</b>	<b>262,601</b>	<b>48,045</b>	<b>310,646</b>
<b>Total comprehensive income for the period</b>											
Profit for the period	-	-	-	-	-	-	-	1,082	1,082	1,515	2,597
<b>Other comprehensive income</b>											
Foreign currency translation differences of foreign operations	-	-	-	-	-	-	(2,408)	-	(2,408)	(1,378)	(3,786)
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	-	12	-	-	12	(3)	9
<b>Total other comprehensive income</b>	-	-	-	-	(1)	12	(2,408)	-	(2,397)	(1,381)	(3,778)
<b>Total comprehensive income for the period</b>	-	-	-	-	(1)	12	(2,408)	1,082	(1,315)	134	(1,181)
<b>At 30 June 2016</b>	<b>204,327</b>	<b>(4,227)</b>	<b>200,100</b>	<b>6,357</b>	<b>31</b>	<b>2</b>	<b>(3,790)</b>	<b>58,586</b>	<b>261,286</b>	<b>47,046</b>	<b>308,332</b>

Company	Issued Capital	Treasury Shares	Share Capital	Other Reserves	Fair Value Reserve	Accumulated Losses	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>At 1 April 2017</b>	<b>204,327</b>	<b>(4,227)</b>	<b>200,100</b>	<b>491</b>	<b>37</b>	<b>(11,305)</b>	<b>189,323</b>
<b>Total comprehensive income for the period</b>							
Loss for the period	-	-	-	-	-	773	773
<b>Other comprehensive income</b>							
Net change in fair value of available-for-sale financial assets	-	-	-	-	6	-	6
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6</b>	<b>773</b>	<b>779</b>
<b>Transactions with owners, recognised directly in equity</b>							
<b>Distributions to owners</b>							
Dividends paid	-	-	-	-	-	(2,767)	(2,767)
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,767)</b>	<b>(2,767)</b>
<b>At 30 June 2017</b>	<b>204,327</b>	<b>(4,227)</b>	<b>200,100</b>	<b>491</b>	<b>43</b>	<b>(13,299)</b>	<b>187,335</b>
<b>At 1 April 2016</b>	<b>204,327</b>	<b>(4,227)</b>	<b>200,100</b>	<b>491</b>	<b>32</b>	<b>(15,002)</b>	<b>185,621</b>
<b>Total comprehensive income for the period</b>							
Profit for the period	-	-	-	-	-	328	328
<b>Other comprehensive income</b>							
Net change in fair value of available-for-sale financial assets	-	-	-	-	(1)	-	(1)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1)</b>	<b>328</b>	<b>327</b>
<b>At 30 June 2016</b>	<b>204,327</b>	<b>(4,227)</b>	<b>200,100</b>	<b>491</b>	<b>31</b>	<b>(14,674)</b>	<b>185,948</b>

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, 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 reported on and as at the end of the corresponding period of the immediately preceding financial year.

(i) **Share Capital**

**Group and Company**

In issue at 1 April and 30 June

	2017	2016
	No. of shares	No. of shares
	570,996,746	570,996,746

(ii) **Treasury shares**

**Group and Company**

Balance as at the end of the period

	2017	2016
	No. of shares	No. of shares
	17,581,000	17,581,000

(iii) There were no subsidiary holdings as at 30 June 2017 and 30 June 2016.

The total number of issued shares excluding treasury shares and subsidiary holdings as at the end of the current financial period was 553,415,746 (30 June 2016: 553,415,746).

(iv) **HANWELL Executives' Share Option Scheme 2003**

During the financial period ended 30 June 2017, there was no new issuance nor exercise of share options in respect of unissued ordinary shares under the HANWELL Executives' Share Option Scheme 2003. The balance of issued non-discounted options, including options issued in 2003 was 10,150,000 as at 30 June 2017. 10,150,000 shares may be issued on conversion of all the outstanding options at the end of the current period.



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

	As at	
	30/6/2017	31/12/2016
Total number of issued shares	553,415,746	553,415,746

- 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.

There were no sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period.

- 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. There were no subsidiary holdings during and at the end of the current financial period reported on.

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

The figures have not been audited nor reviewed.

- 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.

Other than the adoption of the new and revised Financial Reporting Standards (FRS) which took effect from the current financial year, there were no changes in accounting policies and methods of computation adopted in the financial statements for the current reporting period as compared to the most recent audited annual financial statements as at 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 adoption of the new and revised FRSs have no material impact to the financial statements of the Group and of the Company.

- 6 Earning per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	GROUP		GROUP	
	2nd Quarter Ended		Year to Date Ended	
	30/6/2017	30/06/2016	30/6/2017	30/06/2016
	cents	cents	cents	cents
Earnings per ordinary share of the group for the financial period based on net profit attributable to shareholders:				
Basic earnings per share	0.33	0.20	0.48	0.31
Diluted earnings per share	0.32	0.19	0.48	0.31

- 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 period reported on and (b) immediately preceding financial year.

	GROUP		COMPANY	
	30/6/2017	31/12/2016	30/6/2017	31/12/2016
	cents	cents	cents	cents
Net asset value per ordinary share based on issued share capital at the end of the period reported on	48.58	48.89	33.85	34.61

- 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 cashflow, working capital, assets or liabilities of the group during the current financial period reported on.**

Consumer Business

Revenue decreased by S\$3.02 million or 7.1% in Q2 2017, from S\$42.71 million in Q2 2016 to S\$39.69 million in Q2 2017. Similarly, revenue in H1 2017 also reduced by S\$6.09 million or 7.0% from S\$87.29 million in H1 2016 to S\$81.20 million in H1 2017. The decrease was mainly due to lower revenue generated from distribution business in Singapore as a result of closure of all franchise outlets. In addition, discontinuation of products in the Malaysia Consumer Business and weaker demand in Singapore Consumer Business contributed to the decrease in revenue.

The Consumer Business recorded a loss of S\$0.70 million in Q2 2017 as compared to PBIT of S\$0.09 million in Q2 2016. For H1 2017, this segment recorded a higher loss of S\$1.79 million as compared to S\$1.42 million in H1 2016. This was mainly due to weaker consumer demand in this segment.

Packaging Business

The segment recorded a PBIT of S\$5.72 million in Q2 2017 as compared to S\$4.85 million in Q2 2016. For the half year ended 30 June 2017, the Packaging Business recorded an increase in its PBIT by 41.68% from S\$ 7.87 million in H1 2016 to S\$11.15 million in H1 2017. This was mainly due to higher demand that contributed to the increase in revenue.

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

Not applicable.

- 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 trading environment for FMCG industry for the next 6 months is expected to be soft due to weak consumers' sentiments. The Group will continue to develop new products and look out for new business opportunities to enhance its sales performance. The Management will exercise prudence in its procurement and inventory management of key products to protect margins.

The Group expects the operating environment of packaging business to remain challenging due to volatile raw material prices and uncertain economic conditions, which will impact the gross profit margins. The division will remain focus on its initiatives to increase productivity, enhance operational efficiencies and manage its costs. It will continue to explore and pursue expansion opportunities in the region for sustainable long-term growth.

- 11 Dividend**

**(a) Current Financial Period Reported On**

The directors do not recommend any declaration of dividend for the current financial period reported on.

**(b) Corresponding Period of the Immediately Preceding Financial Year**

No dividend was declared for the corresponding period of the preceding financial year.

- 12 If no dividend has been declared/recommended, a statement to that effect.**

No dividend was declared / recommended for the current financial period reported on.

- 13 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Company has not obtained a general mandate from shareholders pursuant to Rule 920 of the Listing Manual.

- 14 NEGATIVE ASSURANCE CONFIRMATION ON INTERIM FINANCIAL RESULTS PURSUANT TO RULE 705(5) OF THE LISTING MANUAL**

The Board of Directors has confirmed that, to the best of their knowledge, nothing has come to their attention which may render these interim financial results to be false or misleading in any material aspect.

- 15 Confirmation of Undertakings from Directors and Executive Officers pursuant to Rule 720(1) of the Listing Manual**

The Company has procured undertakings in the format set out in Appendix 7.7 from all its directors and executive officers under Rule 720(1) of the Listing Manual.

Dr Allan Yap  
Chairman  
11 August 2017