

## Financial Statements and Related Announcement::Full Yearly Results


## Issuer &amp; Securities

Issuer/ Manager	HANWELL HOLDINGS LIMITED
Securities	HANWELL HOLDINGS LIMITED - SG1V81937806 - DM0
Stapled Security	No

## Announcement Details

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## Additional Details

For Financial Period Ended	31/12/2016
Attachments	 HW FY2016Results.pdf Total size =415K

Full Year Financial Statements and Dividend Announcement

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 Year Ended 31 December		+ / (-) %
	2016 S\$'000	2015 S\$'000	
Revenue	399,978	414,521	(3.5)
Cost of sales	(304,716)	(324,323)	(6.0)
Gross profit	95,262	90,198	5.6
Other income	3,090	3,363	(8.1)
Distribution expenses	(42,584)	(44,101)	(3.4)
Administrative expenses	(29,739)	(30,152)	(1.4)
Other expenses	(3,770)	(6,574)	(42.7)
<b>Results from operating activities</b>	<b>22,259</b>	<b>12,734</b>	74.8
Net finance income	1,397	3,364	(58.5)
<b>Profit before tax</b>	<b>23,656</b>	<b>16,098</b>	47.0
Tax expense	(6,224)	(4,736)	31.4
<b>Profit for the year</b>	<b>17,432</b>	<b>11,362</b>	53.4
<b>Attributable to:</b>			
Owners of the Company	10,302	5,756	79.0
Non-controlling interests	7,130	5,606	27.2
<b>Profit for the year</b>	<b>17,432</b>	<b>11,362</b>	53.4

n.m. - not meaningful

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

	GROUP	
	Year Ended	
	31 December	
	2016	2015
	S\$'000	S\$'000
<b>Profit before tax is stated after (crediting) / charging:</b>		
Interest income	(2,142)	(1,954)
Dividend income	(2)	(2)
Amortisation of deferred income	(120)	(214)
Exchange gain	(1,137)	(1,123)
Gain on disposal of:		
- available-for-sale financial assets	-	(2,069)
- financial assets designated at fair value through profit or loss	-	(1,018)
Income from liquidation of an associate	(914)	-
Net (increase)/decrease in fair value of financial assets designated at fair value through profit or loss	(175)	100
(Write-back)/provision of allowance for stock obsolescence	(662)	172
Allowance made for doubtful receivables	684	5,966
Impairment allowance on property, plant and equipment	-	737
Depreciation of investment properties	20	21
Depreciation of property, plant and equipment	8,614	9,107
Loss/(gain) on disposal of property, plant and equipment	184	(90)
Bad debts written off	72	13
Inventories written off	34	667
Property, plant and equipment written off	2,726	46
Change in fair value of financial derivatives	102	(102)
Interest on borrowings	922	1,579
<b>Taxation</b>		
Current year tax	5,529	4,405
Under/(over) provision of tax in respect of prior years	213	(336)
Withholding tax expenses	1,035	835
Current year deferred tax	(102)	(171)
(Over)/under provision of deferred tax in respect of prior years	(451)	9
Changes in tax rate	-	(6)
	<u>6,224</u>	<u>4,736</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	GROUP		
	Year Ended		
	31 December		
	2016	2015	+ / (-)
	S\$'000	S\$'000	%
Profit for the year	17,432	11,362	53.4
<b>Other comprehensive income - Items that are or may be reclassified subsequently to profit or loss:</b>			
Foreign currency translation differences - foreign operations	(5,967)	(461)	n.m.
Effective portion of changes in fair value of cash flow hedges	(4)	6	n.m.
Net change in fair value of available-for-sale financial assets	1	(9)	(111.1)
Net change in fair value of available-for-sale financial assets reclassified to profit or loss	-	(1,473)	n.m.
<b>Other comprehensive income for the year, net of tax</b>	<u>(5,970)</u>	<u>(1,937)</u>	n.m.
<b>Total comprehensive income for the year</b>	<u>11,462</u>	<u>9,425</u>	n.m.
<b>Attributable to:</b>			
Owners of the Company	6,554	3,787	n.m.
Non-controlling interests	4,908	5,638	n.m.
<b>Total comprehensive income for the year</b>	<u>11,462</u>	<u>9,425</u>	n.m.

n.m. - not meaningful

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

In year 2016, the Group achieved a total revenue of S\$399.98 million, a decrease of 3.5% or S\$14.54 million compared to the financial year 2015 (FY2015). Lower revenue was mainly affected by the termination of franchise outlets and lower sales volume from the Consumer Business in Singapore. In addition, weaker demand from major customers in Packaging Business (Tat Seng Group) also led to decrease in the Group's revenue. This decrease was partially off-set by higher revenue contributed by the Consumer Business in Malaysia.

Despite the lower revenue, gross profit increased by 5.6% to S\$95.26 million as compared to S\$90.20 million in FY 2015. Gross profit margin increased by 2.0% to 23.8% of total revenue mainly attributed to favourable product mix.

Other income of S\$3.09 million in FY2016 was lower than S\$3.36 million in FY2015 was mainly due to lower rental and warehousing income by S\$0.98 million with the demolition of its existing warehouse and factory building. In addition, there was lower government grant and sundry income of S\$0.20 million in FY2016 as compared to FY2015. However, the decrease was partially off-set by the income from liquidation of an associate by S\$0.91 million received in FY2016.

Distribution expenses decreased by 3.4% or S\$1.52 million in FY2016 was mainly due to lower staff costs in logistic department resulted from lower revenue in current year as compared to the same period last year. The decrease also attributed to the lower rental charges as a result of termination of franchise outlets.

Administrative expenses decreased by 1.4% or S\$0.41 million in FY2016 was mainly due to lower expenses incurred with the winding up of a subsidiary for Other Business in Malaysia.

Other expenses decreased by S\$2.91 million (43.5%) in FY2016 as compared to FY2015 was mainly due to decrease of S\$4.16 million in allowance made for doubtful receivables from third party and S\$1.06 million from an associate in Malaysia made in FY2015. However, the decrease was partially off-set by an increase in property, plant and equipment write-off of S\$2.68 million as a result of its demolition of existing warehouse and manufacturing plant.

The results from operating activities were S\$22.26 million in FY2016 as compared to S\$12.73 million in FY2015, an increase of S\$9.53 million or 74.8%.

Lower net finance income of S\$1.40 million in FY2016 as compared to S\$3.36 million in FY2015 was mainly due to gain on disposal of financial assets of S\$3.09 million in FY2015 which was non-recurring. The decrease in net finance income was partially off-set by the decrease in interest expense on bank borrowings by S\$0.66 million in Packaging Business and net fair value gain (S\$0.17 million) on financial assets designated at fair value through profit or loss in FY2016 as compared to net fair value loss (S\$0.10 million) on financial assets designated at fair value through profit or loss in FY2015.

The Group achieved a higher profit before tax of S\$23.66 million in FY2016 as compared to S\$16.10 million in FY2015. Tax expense was S\$6.22 million in FY2016 as compared to S\$4.74 million in FY2015.

The Group's net profit after tax for FY2016 was S\$17.43 million as compared to S\$11.36 million reported for FY2015. The net profit attributable to shareholders was S\$10.30 million for FY2016 as compared to S\$5.76 million reported for FY2015.

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

	Note	GROUP		COMPANY	
		31/12/2016 S\$'000	31/12/2015 S\$'000	31/12/2016 S\$'000	31/12/2015 S\$'000
<b>Non-current assets</b>					
Property, plant and equipment		75,307	76,108	9,397	9,548
Investment properties		770	808	-	-
Subsidiaries		-	-	40,069	40,189
Other financial assets		49	47	49	47
Intangible assets		1,134	1,188	-	-
Deferred tax assets		1,504	1,608	-	-
		<u>78,764</u>	<u>79,759</u>	<u>49,515</u>	<u>49,784</u>
<b>Current assets</b>					
Other financial assets, including derivatives	1	2,041	1,978	2,041	1,972
Inventories	2	39,113	38,393	258	8,734
Trade and other receivables	3	141,411	136,508	47,901	50,388
Cash and cash equivalents	4	175,389	155,871	105,069	95,204
Assets held for sale		46,847	49,043	-	-
		<u>404,801</u>	<u>381,793</u>	<u>155,269</u>	<u>156,298</u>
<b>Total assets</b>		<u>483,565</u>	<u>461,552</u>	<u>204,784</u>	<u>206,082</u>
<b>Equity attributable to equity holders of the Company</b>					
Share capital		200,100	200,100	200,100	200,100
Reserves		70,460	63,906	(8,558)	(11,980)
		<u>270,560</u>	<u>264,006</u>	<u>191,542</u>	<u>188,120</u>
<b>Non-controlling interests</b>		51,803	48,633	-	-
<b>Total equity</b>		<u>322,363</u>	<u>312,639</u>	<u>191,542</u>	<u>188,120</u>
<b>Non-current liabilities</b>					
Loans and borrowings	5	1,340	1,413	-	-
Deferred income		1,176	1,198	-	-
Deferred tax liabilities		1,101	1,781	-	-
		<u>3,617</u>	<u>4,392</u>	<u>-</u>	<u>-</u>
<b>Current liabilities</b>					
Trade and other payables, including derivatives	6	118,957	110,446	13,242	17,962
Loans and borrowings	5	35,798	32,543	-	-
Deferred income		119	107	-	-
Current tax liabilities		2,711	1,425	-	-
		<u>157,585</u>	<u>144,521</u>	<u>13,242</u>	<u>17,962</u>
<b>Total liabilities</b>		<u>161,202</u>	<u>148,913</u>	<u>13,242</u>	<u>17,962</u>
<b>Total equity and liabilities</b>		<u>483,565</u>	<u>461,552</u>	<u>204,784</u>	<u>206,082</u>

Note:

- Other financial assets decreased by S\$0.06 million and S\$0.07 million for the Group and the Company respectively mainly due to decrease in fair value of financial assets designated at fair value through profit or loss.
- At Group level, inventories increased by S\$0.72 million in FY2016 mainly due to increase in raw material costs in Packaging Business and stocking up more inventories in anticipation of further rise in raw material costs.

The significant decrease in the Company's inventory from S\$8.73 million to S\$0.26 million was mainly due to the transfer of inventory to a subsidiary in Singapore for the consolidation of sales in Singapore within an entity. In addition, the termination of franchise outlets led to decrease in inventories stock-up for the Company.

- The increase of S\$4.90 million in trade and other receivables was mainly due to down payment paid for new machinery for production plant expansion and ERP project in Consumer Business in Singapore. However, it was partially off-set by lower advance payment for material purchased from supplier by Packaging Businesses in China.
- Refer to the consolidated statement of cash flow on Page 6 for details of movements in cash and cash equivalents.
- Total loans and borrowings increased by S\$3.18 million was mainly due to increase in utilisation of bills payables of S\$3.45 million by the Packaging Business, partially off-set by repayment of term loans of S\$0.25 million.
- The increase of S\$8.51 million in trade and other payables was due to additional non-refundable deposits of S\$8.70 million received for the disposal of the assets held-for-sale. This was partially off-set by lower purchases of consumer products for the Consumer Businesses which is in tandem with the decrease in sales.

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

	As at	
	31/12/2016	31/12/2015
	S\$'000	S\$'000
Amount repayable in one year or less, or on demand		
- secured	28,639	26,917
- unsecured	7,159	5,626
	<u>35,798</u>	<u>32,543</u>
Amount repayable after one year		
- secured	266	1,413
- unsecured	1,074	-
	<u>1,340</u>	<u>1,413</u>
Total	<u>37,138</u>	<u>33,956</u>

**Details of any collateral :**

The total secured borrowings of S\$28.91 million as at 31 December 2016 include:

Bank loans and bill payables of S\$28.86 million, secured on leasehold land, certain leasehold buildings and certain plant and machinery held by the Packaging Business with carrying amounts of approximately S\$23.68 million and cash and bank balances of S\$4.50 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>Year Ended</b>	
	<b>31 December</b>	
<b>Note</b>	<b>2016</b>	<b>2015</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Operating activities</b>		
Profit for the period	17,432	11,362
Adjustments for:		
Tax expense	6,224	4,736
Depreciation of investment properties	20	21
Depreciation of property, plant and equipment	8,614	9,107
Income from liquidation of an associate	(914)	-
Loss/(Gain) on disposal of:		
- property plant and equipment	184	(90)
- available-for-sale financial assets	-	(2,069)
- financial assets designated at fair value through profit or loss	-	(1,018)
Property, plant and equipment written off	2,726	46
Impairment losses on property, plant and equipment	-	737
Amortisation of deferred income	(120)	(214)
Change in fair value of financial derivatives	102	(102)
Unrealised exchange gain	(891)	(1,618)
Net (increase)/decrease in fair value of financial assets designated at fair value through profit or loss	(175)	100
Net finance income	(1,222)	(377)
	<b>31,980</b>	<b>20,621</b>
Changes in:		
- Inventories	1 (1,453)	2,747
- Trade and other receivables	2 (9,241)	10,432
- Trade and other payables	3 4,312	(3,520)
<b>Cash generated from operations</b>	<b>25,598</b>	<b>30,280</b>
Tax paid	(5,512)	(4,219)
<b>Net cash from operating activities</b>	<b>20,086</b>	<b>26,061</b>
<b>Investing activities</b>		
Interest received	1,452	1,321
Proceeds from liquidation of an associate	914	-
Proceeds from disposal of property, plant and equipment	370	302
Proceeds from maturity of financial assets designated at fair value through profit or loss	-	2,800
Proceeds from disposal of financial assets	-	5,378
Proceeds from partial settlement of debt security	-	1,397
Purchase of property, plant and equipment	(14,316)	(9,212)
Deposit received in relation to assets held-for-sale	8,715	9,030
<b>Net cash (used in)/from investing activities</b>	<b>(2,865)</b>	<b>11,016</b>
<b>Financing activities</b>		
Interest paid	(995)	(1,683)
Dividends paid	(1,739)	(1,172)
Payment of finance lease liabilities	(16)	(16)
(Increase)/decrease in pledged deposits	(1,335)	133
Proceeds from borrowings	4 57,623	59,072
Repayment of borrowings	4 (52,969)	(58,728)
<b>Net cash from/(used in) financing activities</b>	<b>569</b>	<b>(2,394)</b>
<b>Net increase in cash and cash equivalents</b>	<b>17,790</b>	<b>34,683</b>
Cash and cash equivalents at beginning of the period	152,704	116,435
Effect of exchange rate fluctuations on cash held	394	1,586
<b>Cash and cash equivalents at end of the period</b>	<b>170,888</b>	<b>152,704</b>
Comprising:		
Cash at bank and in hand	56,652	52,412
Fixed deposits with banks	118,737	103,459
	175,389	155,871
Deposits pledged	(4,501)	(3,167)
	<b>170,888</b>	<b>152,704</b>

Note:

- 1 Please refer to note 2 in consolidated statement of financial position.
- 2 Please refer to note 3 in consolidated statement of financial position.
- 3 Please refer to note 6 in consolidated statement of financial position.
- 4 Please refer to note 5 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 January 2016</b>	204,327	(4,227)	200,100	6,357	32	6	627	56,884	264,006	48,633	312,639
<b>Total comprehensive income for the year</b>	-	-	-	-	-	-	-	10,302	10,302	7,130	17,432
<b>Profit for the year</b>	-	-	-	-	-	-	-	10,302	10,302	7,130	17,432
<b>Other comprehensive income</b>	-	-	-	-	-	-	(3,746)	-	(3,746)	(2,221)	(5,967)
Foreign currency translation differences - foreign operations	-	-	-	-	-	-	(3,746)	-	(3,746)	(2,221)	(5,967)
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	-	(3)	-	-	(3)	(1)	(4)
Net change in fair value of available-for-sale financial assets	-	-	-	-	1	-	-	-	1	-	1
<b>Total other comprehensive income</b>	-	-	-	-	1	(3)	(3,746)	-	(3,748)	(2,222)	(5,970)
<b>Total comprehensive income for the year</b>	-	-	-	-	1	(3)	(3,746)	10,302	6,554	4,908	11,462
<b>Transactions with owners, recognised directly in equity</b>	-	-	-	-	-	-	-	-	-	-	-
<b>Contributions by and distributions to owners</b>	-	-	-	-	-	-	-	-	-	(1,738)	(1,738)
Dividends paid	-	-	-	-	-	-	-	-	-	(1,738)	(1,738)
<b>Total contributions by and distributions to owners</b>	-	-	-	-	-	-	-	-	-	(1,738)	(1,738)
<b>Transfer between reserves</b>	-	-	-	1,458	-	-	-	(1,458)	-	-	-
Appropriation of accumulated profits to other reserves	-	-	-	1,458	-	-	-	(1,458)	-	(1,738)	(1,738)
<b>Total transactions with owners</b>	-	-	-	1,458	-	-	-	(1,458)	-	(1,738)	(1,738)
<b>At 31 December 2016</b>	204,327	(4,227)	200,100	7,815	33	3	(3,119)	65,728	270,560	51,803	322,363
<b>At 1 January 2015</b>	204,327	(4,227)	200,100	5,066	1,348	-	1,286	52,419	260,219	44,167	304,386
<b>Total comprehensive income for the year</b>	-	-	-	-	-	-	-	5,756	5,756	5,606	11,362
<b>Profit for the year</b>	-	-	-	-	-	-	-	5,756	5,756	5,606	11,362
<b>Other comprehensive income</b>	-	-	-	-	-	-	(659)	-	(659)	198	(461)
Foreign currency translation differences - foreign operations	-	-	-	-	-	-	(659)	-	(659)	198	(461)
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	-	6	-	-	6	-	6
Net change in fair value of available-for-sale financial assets	-	-	-	-	(9)	-	-	-	(9)	-	(9)
Net change in fair value of available-for-sale financial assets reclassified to profit or loss	-	-	-	-	(1,307)	-	-	-	(1,307)	(166)	(1,473)
<b>Total other comprehensive income</b>	-	-	-	-	(1,316)	6	(659)	-	(1,969)	32	(1,937)
<b>Total comprehensive income for the year</b>	-	-	-	-	(1,316)	6	(659)	5,756	3,787	5,638	9,425
<b>Transactions with owners, recognised directly in equity</b>	-	-	-	1,291	-	-	-	(1,291)	-	-	-
<b>Contributions by and distributions to owners</b>	-	-	-	1,291	-	-	-	(1,291)	-	(1,172)	(1,172)
Dividends paid	-	-	-	1,291	-	-	-	(1,291)	-	(1,172)	(1,172)
<b>Total distributions to owners</b>	-	-	-	1,291	-	-	-	(1,291)	-	(1,172)	(1,172)
<b>Transfer between reserves</b>	-	-	-	-	-	-	-	-	-	-	-
Appropriation of accumulated profits to other reserves	-	-	-	-	-	-	-	-	-	-	-
<b>Total transactions with owners</b>	-	-	-	-	-	-	-	-	-	-	-
<b>At 31 December 2015</b>	204,327	(4,227)	200,100	6,357	32	6	527	56,884	264,006	48,633	312,639



Company	Issued Capital S\$'000	Treasury Shares S\$'000	Share Capital S\$'000	Other Reserves S\$'000	Fair Value Reserve S\$'000	Accumulated Losses S\$'000	Total Equity S\$'000
At 1 January 2016	204,327	(4,227)	200,100	491	32	(12,503)	188,120
Total comprehensive income for the year	-	-	-	-	-	3,422	3,422
Profit for the year	-	-	-	-	-	3,422	3,422
Total comprehensive income for the year	-	-	-	-	-	3,422	3,422
At 31 December 2016	204,327	(4,227)	200,100	491	32	(9,081)	191,542
At 1 January 2015	204,327	(4,227)	200,100	491	1,056	(5,068)	196,579
Total comprehensive income for the year	-	-	-	-	-	(7,435)	(7,435)
Profit for the year	-	-	-	-	-	(7,435)	(7,435)
Other comprehensive income	-	-	-	-	(9)	-	(9)
Net change in fair value of available-for-sale financial assets	-	-	-	-	(9)	-	(9)
Net change in fair value of available-for-sale financial assets reclassified to profit or loss	-	-	-	-	(1,015)	-	(1,015)
Total comprehensive income for the year	-	-	-	-	(1,024)	(7,435)	(8,459)
At 31 December 2015	204,327	(4,227)	200,100	491	32	(12,503)	188,120

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 also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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.

	2016		2015	
	No. of shares	No. of shares	No. of shares	No. of shares
(i) <u>Share Capital</u> Group and Company In issue at 1 July and 30 September	570,996,746	570,996,746	570,996,746	570,996,746
(ii) <u>Treasury shares</u> Group and Company Balance as at the end of the period	17,581,000	17,581,000	17,581,000	17,581,000

The total number of issued shares excluding treasury shares as at the end of the current financial period was 553,415,746 (31 December 2015: 553,415,746).

(iii) HANWELL Executives' Share Option Scheme 2003

During the current financial year, 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 31 December 2016. 10,150,000 shares may be issued on conversion of all the outstanding options at the end of the financial year.

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	
	31/12/2016	31/12/2015
Total number of issued shares	553,415,746	553,415,746

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 reported on.

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

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 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 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	
Year Ended	
31/12/2016	31/12/2015
cents	cents

Earnings per ordinary share of the group for the financial period based on net profit attributable to shareholders:

Basic earnings per share	1.86	1.04
Diluted earnings per share	1.85	1.03

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	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
	cents	cents	cents	cents
Net asset value per ordinary share based on issued share capital at the end of the period reported on	48.89	47.70	34.61	33.99

- 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.

#### Comparatives on Performance by Business Segments

	Turnover		PBIT*	
	For the year		For the year	
	2016	2015	2016	2015
	S\$'000	S\$'000	S\$'000	S\$'000
<b>By Business Segments</b>				
<b>Consumer Essentials</b>				
Consumer Business	171,428	181,535	6,609	1,278
<b>Strategic Investments</b>				
Packaging	228,499	231,415	21,965	17,614
Others	51	1,571	(1,277)	(4,365)
	<u>399,978</u>	<u>414,521</u>	<u>27,297</u>	<u>14,527</u>
<b>Unallocated amounts:</b>				
- Other corporate expenses, net of income			(5,038)	(1,793)
			<u>22,259</u>	<u>12,734</u>
<b>By Geographical Locations</b>				
Singapore	147,258	164,219	(6,783)	(8,768)
Malaysia	59,142	56,047	4,163	3,332
China	193,578	194,255	24,879	18,170
	<u>399,978</u>	<u>414,521</u>	<u>22,259</u>	<u>12,734</u>

\* Profits before net finance costs, share of results of associates and tax expense

#### Consumer Business

Revenue decreased by S\$10.11 million or 5.6% in FY2016, from S\$181.54 million in FY2015 to S\$171.43 million in FY2016. The decrease was attributable to lower revenue generated from distribution business in Singapore as a result of reduction in franchise outlets. However, the reduction in revenue was partially off-set by higher revenue from its distribution business as a result of products from new agencies and higher demand from customers in Malaysia.

The Consumer Business recorded a PBIT of S\$6.61 million in FY2016 as compared to S\$1.28 million in FY2015. Excluding foreign currency exchange gains of S\$0.47 million in FY2016 (FY2015: loss S\$0.20 million), the Consumer Business recorded a PBIT of S\$6.14 million in FY2016 as compared to S\$1.48 million in FY2015. The improvement is due to reduction in losses resulting from closure of franchise outlets and better margin achieved due to favourable product mix.

#### Packaging Business

The Packaging Business reported revenue of S\$228.50 million in FY 2016 as compared to S\$231.42 million in FY2015. The decrease was mainly due to the weakening of Renminbi ("RMB") against Singapore Dollar ("SGD") by 6.0% as compared to FY2015. In addition, relocation of MNC customers to Malaysia and USA also affected the revenue in Singapore.

The segment recorded a PBIT of S\$21.97 million in FY2016 as compared to S\$17.61 million in FY2015. This is mainly due to lower cost production achieved in the manufacturing of corrugated board in China as a result of investment in new automated machine. In addition, there was lower allowance for trade receivables made in FY2016 as compared to FY2015.

- 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 consolidation of the Group's Consumer Business in Year 2016 has met its expectation with positive results shown. The trading environment for 2017 in FMCG industry is expected to be soft and the Group will develop new products to enhance range offerings. Margins may be impacted with the volatility in foreign exchange as the Consumer Business purchase raw materials and finished products from overseas.

The Group's packaging business expects the operating environment for both Singapore and China to remain challenging due to uncertainty of macro-economic conditions and increase in raw material costs. The division will continue to focus on stringent cost control and enhance production productivity through automation to stay competitive. It will continue to improve and enhance its existing business and actively explore new business opportunities.

#### 11 Dividend

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

Any dividend recommended for the current financial year reported on

Yes

Name of Dividend	Final
Dividend Type	Cash; Tax exempt (1-tier) dividend
Dividend Amount Per Share	S\$0.005 per ordinary share
Tax Rate	Exempt (1-tier)
Date Paid	To be approved by shareholders at the forthcoming AGM

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

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

**(c) Date payable**

To be announced later.

**(d) Books closure date**

To be announced later.

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

Not applicable.

**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 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.**

2016	Consumer Essentials Consumer Business S\$'000	Strategic Investments Packaging S\$'000	Others S\$'000	Total S\$'000
<b>Revenue and expenses</b>				
Total revenue	171,428	228,499	51	399,978
Results from operating activities	6,609	21,965	(1,277)	27,297
Unallocated amounts - Other corporate expenses				(5,038)
Net finance income				1,397
Share of losses of associates (net of tax)				-
Profit before tax				23,656
Tax expense				(6,224)
Profit for the year				17,432

**2015**

	Consumer Essentials Consumer Business S\$'000	Strategic Investments Packaging S\$'000	Others S\$'000	Total S\$'000
<b>Revenue and expenses</b>				
Total revenue	181,535	231,415	1,571	414,521
Results from operating activities	1,278	17,614	(4,365)	14,527
Unallocated amounts - Other corporate expenses				(1,793)
Net finance costs				3,364
Share of losses of associates (net of tax)				-
Loss before tax				16,098
Tax expense				(4,736)
Loss for the year				11,362

**15 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

This has been addressed in section 8.

16 A breakdown of sales

	GROUP		
	Year Ended		+ / (-) %
	31/12/2016 S\$'000	31/12/2015 S\$'000	
Sales reported for first half year	191,646	208,078	(7.9)
Operating profit after tax before deducting non-controlling interests reported for first half year	4,057	8,062	(49.7)
Sales reported for second half year	208,332	206,443	0.9
Operating profit after tax before deducting non-controlling interests reported for second half year	13,375	3,300	n.m.

n.m. - not meaningful

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

	Latest Full Year S\$'000	Previous Full Year S\$'000
Final cash dividend	2,767*	-

\* to be approved by shareholders at the forthcoming AGM

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 (13).

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Tang Chi Ming	44	Brother of Executive Director, Dr. Tang Cheuk Chee and brother-in-law of Executive Chairman, Dr. Allan Yap	Group Vice President with effect from 1 January 2017  Accountable for the new business strategy and development of the Group.  Oversees and in charge of Group's various departments, namely Human Resource & Administration, the Management Information System and new business strategy and development of the Group.	Mr Tang promoted from Assistant Vice President to Group Vice President with effect from 1 January 2017.  Change in duties during Year 2016:  - With effect from 12 August 2016, Mr Tang Chi Ming has served as Assistant to Executive Director of the Company. With this appointment, Mr Tang Chi Ming no longer oversees Facilities Department.  - With effect from 24 October 2016, Mr Tang Chi Ming no longer oversees Group Research & Development Department and Fortune Food Manufacturing Pte Ltd.

19 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.

BY ORDER OF THE BOARD

Dr Allan Yap  
Chairman  
24 February 2017