

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 | | + / (-) % |
|--|------------------------------------|-----------------|--------------|
| | 2014 S\$'000 | 2013 S\$'000 | |
| Revenue | 418,417 | 403,316 | 3.7 |
| Cost of sales | (333,130) | (317,331) | 5.0 |
| Gross profit | 85,287 | 85,985 | (0.8) |
| Other income | 3,847 | 2,128 | 80.8 |
| Distribution expenses | (43,731) | (42,755) | 2.3 |
| Administrative expenses | (30,154) | (29,664) | 1.7 |
| Other expenses | (1,334) | (709) | 88.2 |
| Results from operating activities | 13,915 | 14,985 | (7.1) |
| Net finance (costs)/income | (2,725) | 1,046 | n.m. |
| Share of loss of associates (net of tax) | - | (769) | n.m. |
| Profit before tax | 11,190 | 15,262 | (26.7) |
| Tax expense | (4,922) | (3,615) | 36.2 |
| Profit for the period | 6,268 | 11,647 | (46.2) |
| Attributable to: | | | |
| Owners of the Company | 2,448 | 6,638 | (63.1) |
| Non-controlling interests | 3,820 | 5,009 | (23.7) |
| Profit for the period | 6,268 | 11,647 | (46.2) |

n.m. - not meaningful

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

| | GROUP | |
|---|--------------------|--------------|
| | Year Ended | |
| | 31 December | |
| | 2014 | 2013 |
| | S\$'000 | S\$'000 |
| Profit before tax is stated after crediting: | | |
| Interest income | 1,710 | 2,082 |
| Dividend income | 2 | 2 |
| Amortisation of deferred income | 112 | 104 |
| Gain/(Loss) on disposal of: | | |
| - investment properties | 14 | - |
| - property, plant and equipment | 208 | (193) |
| Exchange gain | 1,186 | 3 |
| Impairment allowance reversed on property, plant and equipment | - | (145) |
| and after charging: | | |
| Allowance made for doubtful receivables | 1,061 | 406 |
| Bad debts written off/(recovered) | 176 | (4) |
| Depreciation of investment properties | 24 | 26 |
| Depreciation of property, plant and equipment | 8,502 | 8,315 |
| Net decrease/(increase) in fair value of financial assets designated at fair value through profit or loss | 1,917 | (1,306) |
| Allowance for stock obsolescence | 2,019 | 91 |
| Inventories written off | 533 | 513 |
| Property, plant and equipment written off | 92 | 103 |
| Property, plant and equipment impaired | | |
| Interest on borrowings | 2,348 | 2,343 |
| Taxation | | |
| Current year tax | 4,956 | 5,087 |
| Under provision of tax in respect of prior years | 19 | 71 |
| Current year deferred tax | (741) | (1,246) |
| Under/(Over) provision of deferred tax in respect of prior years | 688 | (297) |
| | <u>4,922</u> | <u>3,615</u> |

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | GROUP | | |
|--|---------------------|----------------------|----------------|
| | Year Ended | | |
| | 31 December | | |
| | 2014 | 2013 | + / (-) |
| | S\$'000 | S\$'000 | % |
| Profit for the period | 6,268 | 11,647 | (46.2) |
| Other comprehensive income | | | |
| Items that are or may be reclassified subsequently to profit or loss: | | | |
| Foreign currency translation differences - foreign operations | 1,506 | 3,657 | n.m. |
| Share of foreign currency translation differences of associates | - | 2,885 | n.m. |
| Net change in fair value of available-for-sale financial assets | 312 | 620 | (49.7) |
| Other comprehensive income for the period, net of tax | <u>1,818</u> | <u>7,162</u> | n.m. |
| Total comprehensive income for the period | <u>8,086</u> | <u>18,809</u> | (57.0) |
| Attributable to: | | | |
| Owners of the Company | 3,700 | 12,029 | (69.2) |
| Non-controlling interests | 4,386 | 6,780 | (35.3) |
| Total comprehensive income for the period | <u>8,086</u> | <u>18,809</u> | (57.0) |

n.m. - not meaningful

Brief Review of Financial Performance

The Group's revenue for the financial year ended 31 December 2014 (FY 2014) of \$418.42 million was \$15.1 million (3.7%) higher than the previous financial year ended 31 December 2013 (FY 2013) of \$403.32 million. The increase was contributed by the packaging business (Tat Seng Group) and the Consumer Business.

Despite the higher revenue, gross profit for FY 2014 declined by 0.8% from \$85.99 million in FY 2013 to \$85.29 million in FY 2014. The decrease in gross profit and gross profit margin was mainly due to higher raw material costs and allowance for stock obsolescence of \$2.02 million during the year.

Other income was \$3.85 million in FY 2014 as compared to \$2.13 million in FY 2013 mainly due to favourable exchange rate movement in Renminbi during the year. In addition, there was a gain on disposal of property, plant and equipment of \$0.21 million in FY 2014.

The distribution expenses increased by \$0.98 million (2.3%) from \$42.76 million in FY 2013 to \$43.73 million in FY 2014 was mainly due to higher stockist commission for the Consumer Business in Malaysia and higher transport and delivery costs incurred for the Packaging Business in China. Administrative expenses of \$30.15 million in FY 2014 was also higher compared to \$29.66 million in FY 2013. The increase in expenses were mainly attributable to higher staff cost incurred by the Packaging business due to higher minimum wage imposed by the Chinese government.

Other expenses increased by \$0.63 million (88.2%) in FY 2014 as compared to FY 2013 mainly due to allowance made for doubtful receivables and bad debts written off in FY 2014.

The results from operating activities were \$13.92 million in FY 2014 as compared to \$14.99 million in FY 2013, a decrease of 7.1%.

Net finance costs of \$2.73 million in FY 2014 were mainly attributable to net fair value loss of financial assets designated at fair value through profit or loss as compared to net finance income of \$1.05 million in FY 2013 arising from fair value gain on financial assets designated at fair value through profit or loss.

Share of loss after tax of associates was nil in FY 2014 as compared to \$0.77 million in FY 2013 as the carrying values of investments in associates had been written down to nil since FY 2013.

The result from profit before tax was \$11.19 million in FY 2014 as compared to \$15.26 million in FY 2013.

The Group's net profit after tax for was \$6.27 million in FY 2014 as compared to \$11.65 million reported for FY 2013. The net profit attributable to shareholders was \$2.45 million for FY 2014 as compared to \$6.64 million reported for FY 2013.

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

| | Note | GROUP | | COMPANY | |
|---|------|-----------------------|-----------------------|-----------------------|-----------------------|
| | | 31/12/2014 S\$'000 | 31/12/2013 S\$'000 | 31/12/2014 S\$'000 | 31/12/2013 S\$'000 |
| Non-current assets | | | | | |
| Property, plant and equipment | | 76,095 | 74,425 | 10,435 | 11,627 |
| Investment properties | | 949 | 1,096 | - | - |
| Subsidiaries | | - | - | 41,241 | 45,661 |
| Other financial assets | | 2,732 | 5,030 | 1,900 | 4,294 |
| Intangible assets | | 1,162 | 1,139 | - | - |
| Deferred tax assets | | 1,681 | 1,795 | - | - |
| | | <u>82,619</u> | <u>83,485</u> | <u>53,576</u> | <u>61,582</u> |
| Current assets | | | | | |
| Inventories | 1 | 42,125 | 40,459 | 9,025 | 6,438 |
| Trade and other receivables | 2 | 146,470 | 147,363 | 70,012 | 80,311 |
| Other financial assets | | 5,777 | 4,969 | 5,777 | 4,969 |
| Cash and cash equivalents | 3 | 119,735 | 118,861 | 78,687 | 68,428 |
| Assets held for sale | | 48,009 | 47,046 | - | - |
| Current tax asset | | 478 | - | - | - |
| | | <u>362,594</u> | <u>358,698</u> | <u>163,501</u> | <u>160,146</u> |
| Total assets | | <u>445,213</u> | <u>442,183</u> | <u>217,077</u> | <u>221,728</u> |
| Equity attributable to equity holders of the Company | | | | | |
| Share capital | | 200,100 | 200,002 | 200,100 | 200,002 |
| Reserves | | 60,119 | 56,434 | (3,521) | (842) |
| | | <u>260,219</u> | <u>256,436</u> | <u>196,579</u> | <u>199,160</u> |
| Non-controlling interests | | | | | |
| | | 44,167 | 40,953 | - | - |
| Total equity | | <u>304,386</u> | <u>297,389</u> | <u>196,579</u> | <u>199,160</u> |
| Non-current liabilities | | | | | |
| Loans and borrowings | 4 | 1,218 | 2,494 | - | - |
| Deferred income | | 1,153 | 1,175 | - | - |
| Deferred tax liabilities | | 2,042 | 2,071 | - | - |
| | | <u>4,413</u> | <u>5,740</u> | <u>-</u> | <u>-</u> |
| Current liabilities | | | | | |
| Trade and other payables | 5 | 103,831 | 99,960 | 20,498 | 22,568 |
| Loans and borrowings | 4 | 31,734 | 37,173 | - | - |
| Deferred income | | 121 | 110 | - | - |
| Current tax payable | | 728 | 1,811 | - | - |
| | | <u>136,414</u> | <u>139,054</u> | <u>20,498</u> | <u>22,568</u> |
| Total liabilities | | <u>140,827</u> | <u>144,794</u> | <u>20,498</u> | <u>22,568</u> |
| Total equity and liabilities | | <u>445,213</u> | <u>442,183</u> | <u>217,077</u> | <u>221,728</u> |

Note:

- Inventories increased by \$1.67 million mainly due to higher stock pile in anticipation of increase in sales due to promotional activities, new products and agency brands.
- The decrease of \$0.89 million in trade and other receivables was mainly due to receipt of repayment for a loan note held by a subsidiary in Singapore.
- Please refer to the consolidated statement of cash flow below for the details on the increase of \$0.87 million in cash and cash equivalents.
- Total loans and borrowings decreased by \$6.72 million was mainly due to repayment of loans by packaging subsidiaries in China.
- The increase of \$3.87 million in trade and other payables was mainly due to advance received from buyer in connection with the Group's disposal of an associate in China. The increase was partially offset by the maturity of the bills payable held by the Packaging business.

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

| | As at | |
|--|---------------|---------------|
| | 31/12/2014 | 31/12/2013 |
| | S\$'000 | S\$'000 |
| Amount repayable in one year or less, or on demand | | |
| - secured | 20,156 | 17,751 |
| - unsecured | 11,578 | 19,422 |
| | <u>31,734</u> | <u>37,173</u> |
| Amount repayable after one year | | |
| - secured | 1,218 | 2,494 |
| | <u>1,218</u> | <u>2,494</u> |
| Total | <u>32,952</u> | <u>39,667</u> |

Details of any collateral :

The total secured borrowings of \$21.37 million as at 31 December 2014 include:

(a) Bank loans and bill payables of \$21.29 million, secured by the leasehold land, certain leasehold buildings and certain plant and machinery held by the packaging subsidiaries with carrying amount of approximately \$30.31 million, cash and bank balances of \$3.18 million and trade and bills receivables of \$8.65 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

| | Note | GROUP | |
|--|------|---------------------------|-----------------|
| | | Year Ended 31 December | |
| | | 2014 S\$'000 | 2013 S\$'000 |
| Operating activities | | | |
| Profit for the period | | 6,268 | 11,647 |
| Adjustments for: | | | |
| Tax expense | | 4,922 | 3,615 |
| Depreciation of investment properties | | 24 | 26 |
| Depreciation of property, plant and equipment | | 8,502 | 8,315 |
| Gain on disposal of: | | | |
| - property plant and equipment | | (208) | 193 |
| - investment properties | | (14) | - |
| Property, plant and equipment written off | | 92 | 103 |
| Impairment allowance reversed on property, plant and equipment | | - | (145) |
| Amortisation of deferred income | | (112) | (104) |
| Unrealised exchange loss | | 184 | 1,099 |
| Net finance costs/(income) | | 2,725 | (1,046) |
| Share of losses of associates (net of tax) | | - | 769 |
| Operating profit before working capital changes | | 22,383 | 24,472 |
| Changes in working capital: | | | |
| Inventories | 1 | (1,694) | (6,069) |
| Trade and other receivables | 2 | 2,841 | (23,851) |
| Trade and other payables | 3 | (5,135) | 20,189 |
| Cash generated from operations | | 18,395 | 14,741 |
| Tax paid | | (6,346) | (5,140) |
| Net cash from operating activities | | 12,049 | 9,601 |
| Investing activities | | | |
| Interest received | | 976 | 825 |
| Dividend received | | - | 2 |
| Investment in an associate | | - | (4,024) |
| Proceeds from sale of: | | | |
| - property, plant and equipment | | 924 | 825 |
| - investment properties | | 119 | - |
| - assets held for sale | | - | 11,602 |
| Purchase of financial assets | | (6) | - |
| Proceeds from partial settlement of debt security | | 818 | 9,073 |
| Purchase of property, plant and equipment | | (10,984) | (11,779) |
| Deposit received in relation to assets held for sale | | 8,276 | - |
| Net cash from investing activities | | 123 | 6,524 |
| Financing activities | | | |
| Interest paid | | (2,638) | (2,760) |
| Dividends paid | | (1,172) | (605) |
| Payment of finance lease liabilities | | (679) | (2,665) |
| Decrease in pledged deposits | | 2,574 | 827 |
| Proceeds from borrowings | 4 | 63,323 | 66,169 |
| Repayment of borrowings | 4 | (67,158) | (66,897) |
| Proceeds from exercise of share options | | 80 | 242 |
| Repurchase of own shares | | - | (1,209) |
| Net cash used in financing activities | | (5,670) | (6,898) |
| Net increase in cash and cash equivalents | | 6,502 | 9,227 |
| Cash and cash equivalents at beginning of the period | | 110,272 | 101,332 |
| Effect of exchange rate fluctuations on cash held | | (339) | (287) |
| Cash and cash equivalents at end of the period | | 116,435 | 110,272 |
| Comprising: | | | |
| Cash at bank and in hand | | 46,201 | 41,026 |
| Fixed deposits with banks | | 73,534 | 77,835 |
| | | 119,735 | 118,861 |
| Bank overdrafts | | - | (2,715) |
| Deposits pledged | | (3,300) | (5,874) |
| | | 116,435 | 110,272 |

Note:

- 1 Please refer to note 1 in consolidated statement of financial position.
- 2 Please refer to note 2 in consolidated statement of financial position.
- 3 Please refer to note 5 in consolidated statement of financial position.
- 4 Please refer to note 4 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.

| | Issued Capital | Treasury Shares | Share Capital | Other Reserves | Fair Value 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 |
| At 1 January 2014 | 204,229 | (4,227) | 200,002 | 4,262 | 1,071 | 311 | 50,790 | 256,436 | 40,953 | 297,389 |
| Total comprehensive income for the period | | | | | | | | | | |
| Profit for the period | - | - | - | - | - | - | 2,448 | 2,448 | 3,820 | 6,268 |
| Other comprehensive income | | | | | | | | | | |
| Foreign currency translation differences - foreign operations | - | - | - | - | - | 975 | - | 975 | 531 | 1,506 |
| Net change in fair value of available-for-sale financial assets | - | - | - | - | 277 | - | - | 277 | 35 | 312 |
| Total comprehensive income for the period | - | - | - | - | 277 | 975 | 2,448 | 3,700 | 4,386 | 8,086 |
| Transactions with owners, recognised directly in equity | | | | | | | | | | |
| Contributions by and distributions to owners | | | | | | | | | | |
| Dividends paid | - | - | - | - | - | - | - | - | (1,172) | (1,172) |
| Share options exercised | 98 | - | 98 | (18) | - | - | - | 80 | - | 80 |
| Share-based payment transactions | - | - | - | (2) | - | - | 2 | - | - | - |
| Unclaimed dividend reversed | - | - | - | - | - | - | 3 | 3 | - | 3 |
| Total contributions by and distributions to owners | 98 | - | 98 | (20) | - | - | 5 | 83 | (1,172) | (1,089) |
| Total transactions with owners | 98 | - | 98 | (20) | - | - | 5 | 83 | (1,172) | (1,089) |
| Transfer between reserves | | | | | | | | | | |
| Appropriation of accumulated profits to other reserves | - | - | - | 824 | - | - | (824) | - | - | - |
| At 31 December 2014 | 204,327 | (4,227) | 200,100 | 5,066 | 1,348 | 1,286 | 52,419 | 260,219 | 44,167 | 304,386 |
| At 1 January 2013 | 203,987 | (3,018) | 200,969 | 3,661 | 520 | (4,529) | 44,751 | 245,372 | 34,778 | 280,150 |
| Total comprehensive income for the period | | | | | | | | | | |
| Profit for the period | - | - | - | - | - | - | 6,638 | 6,638 | 5,009 | 11,647 |
| Other comprehensive income | | | | | | | | | | |
| Foreign currency translation differences - foreign operations | - | - | - | - | - | 1,955 | - | 1,955 | 1,702 | 3,657 |
| Share of foreign currency translation differences of associates | - | - | - | - | - | 2,885 | - | 2,885 | - | 2,885 |
| Net change in fair value of available-for-sale financial assets | - | - | - | - | 551 | - | - | 551 | 69 | 620 |
| Total comprehensive income for the period | - | - | - | - | 551 | 4,840 | 6,638 | 12,029 | 6,780 | 18,809 |
| Transactions with owners, recognised directly in equity | | | | | | | | | | |
| Contributions by and distributions to owners | | | | | | | | | | |
| Dividends paid | - | - | - | - | - | - | - | - | (605) | (605) |
| Share options exercised | 242 | - | 242 | - | - | - | - | 242 | - | 242 |
| Repurchase of own shares | - | (1,209) | (1,209) | - | - | - | - | (1,209) | - | (1,209) |
| Unclaimed dividend reversed | - | - | - | - | - | - | 2 | 2 | - | 2 |
| Total contributions by and distributions to owners | 242 | (1,209) | (967) | - | - | - | 2 | (965) | (605) | (1,570) |
| Transfer between reserves | | | | | | | | | | |
| Appropriation of accumulated profits to other reserves | - | - | - | 601 | - | - | (601) | - | - | - |
| Total transactions with owners | 242 | (1,209) | (967) | 601 | - | - | (599) | (965) | (605) | (1,570) |
| At 31 December 2013 | 204,229 | (4,227) | 200,002 | 4,262 | 1,071 | 311 | 50,790 | 256,436 | 40,953 | 297,389 |

| Company | Issued Capital | Treasury Shares | Share Capital | Other Reserves | Fair Value Reserve | Retained Earnings | Total Equity |
|---|----------------|-----------------|----------------|----------------|--------------------|-------------------|----------------|
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| At 1 January 2014 | 204,229 | (4,227) | 200,002 | 511 | 840 | (2,193) | 199,160 |
| Total comprehensive income for the period | | | | | | | |
| Loss for the period | - | - | - | - | - | (2,877) | (2,877) |
| Other comprehensive income | | | | | | | |
| Net change in fair value of available-for-sale financial assets | - | - | - | - | 216 | - | 216 |
| Total comprehensive income for the period | - | - | - | - | 216 | (2,877) | (2,661) |
| Transactions with owners, recognised directly in equity | | | | | | | |
| Contributions by and distributions to owners | | | | | | | |
| Share options exercised | 98 | - | 98 | (18) | - | - | 80 |
| Share-based payment transactions | - | - | - | (2) | - | 2 | 0 |
| Total transactions with owners | 98 | - | 98 | (20) | - | 2 | 80 |
| At 31 December 2014 | 204,327 | (4,227) | 200,100 | 491 | 1,056 | (5,068) | 196,579 |
| At 1 January 2013 | 203,987 | (3,018) | 200,969 | 511 | 410 | (2,113) | 199,777 |
| Total comprehensive income for the period | | | | | | | |
| Profit for the period | - | - | - | - | - | (80) | (80) |
| Other comprehensive income | | | | | | | |
| Net change in fair value of available-for-sale financial assets | - | - | - | - | 430 | - | 430 |
| Total comprehensive income for the period | - | - | - | - | 430 | (80) | 350 |
| Transactions with owners, recognised directly in equity | | | | | | | |
| Contributions by and distributions to owners | | | | | | | |
| Share options exercised | 242 | - | 242 | - | - | - | 242 |
| Repurchase of own shares | - | (1,209) | (1,209) | - | - | - | (1,209) |
| Total transactions with owners | 242 | (1,209) | (967) | - | - | - | (967) |
| At 31 December 2013 | 204,229 | (4,227) | 200,002 | 511 | 840 | (2,193) | 199,160 |

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.

(i) Share Capital

Group and Company

| | 2014 | 2013 |
|---------------------------|--------------------|--------------------|
| | No. of shares | No. of shares |
| In issue at 1 January | 570,496,746 | 569,396,746 |
| Exercise of share options | 500,000 | 1,100,000 |
| In issue at 31 December | <u>570,996,746</u> | <u>570,496,746</u> |

(ii) Treasury shares

Group and Company

| | 2014 | 2013 |
|-------------------------------------|-------------------|-------------------|
| | No. of shares | No. of shares |
| Balance as at the end of the period | <u>17,581,000</u> | <u>17,581,000</u> |

The total number of issued shares excluding treasury shares as at the end of the current financial period was 553,415,746 (31 December 2013: 552,915,746).

(iii) HANWELL Executives' Share Option Scheme 2003

During the current financial year, the Company issued 500,000 ordinary shares for the exercise of share options which were granted pursuant to the HANWELL Executives' Share Option Scheme 2003. There was also 50,000 share options lapsed during the year. The balance of issued non-discounted options was 10,150,000 as at 31 December 2014. 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.

| | 31/12/2014 | As at 31/12/2013 |
|-------------------------------|--------------------|---------------------|
| Total number of issued shares | <u>553,415,746</u> | <u>552,915,746</u> |

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.

The Group has applied the same accounting policies and computation methods used in the preparation of the financial statements for the current reporting period compared with the audited financial statements as at 31 December 2013, except for the adoption of the new and revised Financial Reporting Standards (FRS) which become effective for the financial year beginning on or after 1 January 2014.

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 accounting standards referred to in section 4 did not give rise to any significant changes to the financial statements.

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 | |
|---|---------------------|---------------------|
| | 31/12/2014 cents | 31/12/2013 cents |
| Earnings per ordinary share of the group for the financial period based on net profit attributable to shareholders: | | |
| Based on the weighted average number of ordinary shares in issue | 0.44 | 1.20 |
| On a fully diluted basis | 0.44 | 1.19 |

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 | |
|---|---------------------|---------------------|---------------------|---------------------|
| | 31/12/2014 cents | 31/12/2013 cents | 31/12/2014 cents | 31/12/2013 cents |
| Net asset value per ordinary share based on issued share capital at the end of the period reported on | 47.02 | 46.38 | 35.51 | 36.02 |

- 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 For the year | | PBIT* | |
|----------------------------------|--------------------------|-----------------|-----------------|-----------------|
| | 2014 S\$'000 | 2013 S\$'000 | 2014 S\$'000 | 2013 S\$'000 |
| By Business Segments | | | | |
| Consumer Essentials | | | | |
| Consumer Business | 193,741 | 187,544 | (364) | 1,017 |
| Health Solutions | 152 | 198 | (532) | (1,849) |
| Strategic Investments | | | | |
| Packaging | 224,524 | 215,574 | 15,342 | 16,795 |
| Others | | - | (531) | (978) |
| | <u>418,417</u> | <u>403,316</u> | <u>13,915</u> | <u>14,985</u> |
| By Geographical Locations | | | | |
| Singapore | 174,603 | 167,802 | (6,849) | (6,322) |
| Malaysia | 56,079 | 60,359 | 3,503 | 5,386 |
| China | 187,735 | 175,155 | 17,261 | 15,921 |
| | <u>418,417</u> | <u>403,316</u> | <u>13,915</u> | <u>14,985</u> |

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

Consumer Business

Revenue increased by \$6.20 million or 3.3% in FY 2014, from \$187.54 million in FY 2013 to \$193.74 million in FY 2014. The increase was attributable to higher revenue generated from new agency products by the distribution business in Singapore, partially offset by lower revenue as a result of discontinuation of an agency in Malaysia.

The Consumer Business recorded a loss of \$0.36 million in FY 2014 as compared to a profit of \$1.02 million in FY 2013. The loss was mainly due to allowance for stock obsolescence of \$2.02 million during the year.

Health Solutions

The revenue in FY 2014 decreased by 23.2% from \$0.20 million in FY 2013 to \$0.15 million in FY 2014.

The division recorded a loss of \$0.53 million in FY 2014 as compared to a higher loss of \$1.85 million in FY 2013.

Packaging

The Packaging Business reported revenue of \$224.52 million in FY 2014 as compared to \$215.57 million in FY 2013. The increase was mainly contributed by the higher demand from customers in China.

The division recorded a gain of \$15.34 million in FY 2014 as compared to \$16.80 million in FY 2013. The decrease of \$1.46 million (8.7%) was mainly due to higher transport and delivery costs incurred for the Packaging Business in China, higher minimum wage imposed by the Chinese government and allowance made for doubtful receivables.

- 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 Group will continue to focus on strengthening its presence in the highly competitive FMCG market by expanding its range of home brand products while refreshing its existing house brands such as Sobe. New agencies are also being sought to enlarge the Group's range of products coverage. The Group will also continue to make inroads with its new retail concept stores to intensify its distribution coverage.

The Group's packaging business expects the business environment in China to remain competitive. The plants will continue to manage their operating costs and to stay competitive.

- 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 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.

| 2014 | Consumer Essentials | | Strategic Investments | Others | Total |
|--|---------------------|------------------|-----------------------|--------|---------|
| | Consumer Business | Health Solutions | Packaging | | |
| | S\$'000 | S\$'000 | S\$'000 | | |
| Revenue and expenses | | | | | |
| Total revenue | 193,741 | 152 | 224,524 | - | 418,417 |
| Results from operating activities | (364) | (532) | 15,342 | (531) | 13,915 |
| Net finance income | | | | | (2,725) |
| Share of losses of associates (net of tax) | | | | | - |
| Profit before tax | | | | | 11,190 |
| Tax expense | | | | | (4,922) |
| Profit for the year | | | | | 6,268 |

| 2013 | Consumer Essentials | | Strategic Investments | Others | Total |
|--|---------------------|------------------|-----------------------|--------|---------|
| | Consumer Business | Health Solutions | Packaging | | |
| | S\$'000 | S\$'000 | S\$'000 | | |
| Revenue and expenses | | | | | |
| Total revenue | 187,544 | 198 | 215,574 | - | 403,316 |
| Results from operating activities | 1,017 | (1,849) | 16,795 | (978) | 14,985 |
| Net finance costs | | | | | 1,046 |
| Share of losses of associates (net of tax) | | | | | (769) |
| Loss before tax | | | | | 15,262 |
| Tax expense | | | | | (3,615) |
| Loss for the year | | | | | 11,647 |

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 | | |
| | 31/12/2014 | 31/12/2013 | + / (-) |
| | S\$'000 | S\$'000 | % |
| Sales reported for first half year | 207,601 | 194,552 | 6.7 |
| Operating profit/(loss) after tax before deducting non-controlling interests reported for first half year | 3,161 | 658 | n.m. |
| Sales reported for second half year | 210,816 | 208,764 | 1.0 |
| Operating profit/(loss) after tax before deducting non-controlling interests reported for second half year | 3,107 | 10,989 | 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 | Previous Full Year |
|-----------------------|------------------|--------------------|
| | S\$ | S\$ |
| Total annual dividend | - | - |

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 | 42 | Brother of Executive Director, Dr. Tang Cheuk Chee and brother-in-law of Executive Chairman, Dr. Allan Yap | Assistant Vice President, oversees the Group Human Resource & Administration, Management Information System and Research & Development departments and overall in charge of purchasing and sales teams of Topseller Pte Ltd (Chilled division) and manufacturing team of Fortune Food Manufacturing Pte Ltd. | No change in position except for assignment of additional duties during the year, to oversee the Group Human Resource & Administration, Management Information System and Research & Development departments of the Company. |

BY ORDER OF THE BOARD

Dr Allan Yap
Chairman
27 February 2015