

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 to Date Ended 31 December		
	2018 S\$'000	2017 S\$'000	
Revenue	501,552	464,017	8.1
Cost of sales	(398,456)	(359,235)	10.9
Gross profit	103,096	104,782	(1.6)
Other income	3,404	1,522	123.7
Distribution expenses	(43,040)	(44,217)	(2.7)
Administrative expenses	(32,899)	(31,946)	3.0
Other expenses	(3,466)	(4,661)	(25.6)
<b>Results from operating activities</b>	<b>27,095</b>	<b>25,480</b>	6.3
Net finance (cost)/ income	1,333	980	36.0
<b>Profit before tax</b>	<b>28,428</b>	<b>26,460</b>	7.4
Tax expense	(6,201)	(5,544)	11.9
<b>Profit for the period</b>	<b>22,227</b>	<b>20,916</b>	6.3
<b>Attributable to:</b>			
Owners of the Company	13,434	11,103	21.0
Non-controlling interests	8,793	9,813	(10.4)
<b>Profit for the period</b>	<b>22,227</b>	<b>20,916</b>	6.3

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

	<b>GROUP</b>	
	<b>Year to Date Ended</b>	
	<b>31 December</b>	
	<b>2018</b>	<b>2017</b>
	S\$'000	S\$'000
<b>Profit before tax is stated after (crediting) / charging:</b>		
Interest income	(2,322)	(2,113)
Dividend income	(2)	(2)
Amortisation of deferred income	(241)	(158)
Loss/(gain) on disposal of property, plant and equipment	36	(30)
Bad debts written off	1,985	15
Net (increase)/decrease in fair value of financial assets designated at fair value through profit or loss	(498)	43
Allowance for doubtful receivables	563	443
(Write back)/allowance for inventory obsolescence	(232)	145
Impairment allowance on property, plant and equipment	738	195
Depreciation of investment properties	47	29
Depreciation of property, plant and equipment	9,993	8,743
Inventories written off	195	425
Property, plant and equipment written off	212	123
Exchange (gain)/ loss	(1,245)	3,874
Interest on borrowings	1,489	1,092
<b>Taxation</b>		
Current year tax	5,880	6,277
Under/(over) provision of tax in respect of prior years	492	(973)
Withholding tax expenses	336	505
Over provision of current year deferred tax	(392)	(308)
Over provision of deferred tax in respect of prior years	(115)	43
	<u>6,201</u>	<u>5,544</u>

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	<b>GROUP</b>		
	<b>Year to Date Ended</b>		
	<b>31 December</b>		
	<b>2018</b>	<b>2017</b>	<b>+ / (-)</b>
	S\$'000	S\$'000	%
Profit for the period	22,227	20,916	6.3
<b>Other comprehensive income - Items that are or may be reclassified subsequently to profit or loss:</b>			
Foreign currency translation differences of foreign operations	(4,052)	(1,635)	147.8
Effective portion of changes in fair value of cash flow hedges	17	(29)	n.m.
<b>Other comprehensive income for the period, net of tax</b>	<u>(4,035)</u>	<u>(1,664)</u>	142.5
<b>Other comprehensive income - Items that will not be reclassified to profit or loss</b>			
Equity investment FVOCI - net change in fair value	(6)	19	n.m.
Movement in other reserve	(295)	-	n.m.
<b>Other comprehensive income for the period, net of tax</b>	<u>(301)</u>	<u>19</u>	n.m.
<b>Total comprehensive income for the period</b>	<u><b>17,891</b></u>	<u><b>19,271</b></u>	(7.2)
<b>Attributable to:</b>			
Owners of the Company	10,775	10,281	4.8
Non-controlling interests	7,116	8,990	(20.8)
<b>Total comprehensive income for the period</b>	<u><b>17,891</b></u>	<u><b>19,271</b></u>	(7.2)

n.m. - not meaningful

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

In financial year 2018 (FY 2018), the Group achieved a total revenue of S\$501.55 million, an increase of 8.09% or S\$37.54 million compared to the financial year 2017 (FY2017). The increase was mainly attributed to stronger demand in Packaging Business (Tat Seng Group), with both Singapore and China sectors experiencing growth. Additionally, Consumer Business in Malaysia achieved higher revenue as a result of new agency products, more aggressive promotions and working closely with various distribution channels to drive sales.

Gross profit margin decreased by 2.02% from 22.58% to 20.56%, mainly attributed to reduced margin from Packaging Business and Singapore Consumer Business. This is partially offset by improved margin from Malaysia Consumer Business for new agency products. As a result of the reduction in the gross profit margin, gross profit for the Group decreased by 1.61% from S\$104.78 million to S\$103.10 million despite a higher revenue achieved.

Other income of S\$3.40 million in FY 2018 was higher than S\$1.52 million in FY 2017. This was mainly due to higher government grant awarded for Packaging Business (Tat Seng Group) and exchange gain achieved by the group in FY 2018 as compared to exchange loss for FY 2017.

Distribution expenses decreased by 2.66% from S\$44.22 million in FY 2017 to S\$43.04 million in FY 2018. Lower advertising and rental expenses incurred by Singapore Consumer Business contributed to this reduction. This is partially offset by higher distribution expense of the Packaging Business as a results of higher sales.

Administrative expenses increased by 2.98% from S\$31.95 million in FY 2017 to S\$32.90 million in FY 2018, mainly due to higher staff cost, property tax and professional fee for Packaging Business as well as higher staff cost for Malaysia Consumer Business.

Other operating expenses decreased by S\$1.19 million (25.53%) from S\$4.66 million in FY 2017 to S\$3.47 million in FY 2018. This is mainly due to an exchange loss incurred in FY 2017 as compared to an exchange gain in FY 2018.

The results from operating activities were S\$27.10 million in FY 2018 as compared to S\$25.48 million in FY 2017, an increase of S\$1.62 million (6.34%).

Net finance income was S\$1.33 million in FY 2018 as compared to S\$0.98 million in FY 2017, mainly due to net fair value gain through profit or loss in FY 2018 as compared to net fair value loss through profit or loss in FY 2017.

The Group achieved a higher profit before tax of S\$28.43 million in FY 2018 as compared to S\$26.46 million in FY 2017. Tax expense was S\$6.20 million in FY 2018 as compared to S\$5.54 million in FY 2017.

The Group's net profit after tax for FY 2018 was S\$22.23 million as compared to S\$20.92 million reported for FY 2017. The net profit attributable to shareholders was S\$13.43 million for FY 2018 as compared to S\$11.10 million reported for FY 2017.

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

	Note	GROUP		COMPANY	
		31/12/2018 S\$'000	31/12/2017 S\$'000	31/12/2018 S\$'000	31/12/2017 S\$'000
<b>Non-current assets</b>					
Property, plant and equipment	1	146,868	115,582	38,540	30,469
Investment properties	2	11,065	7,820	-	-
Subsidiaries		-	-	40,001	40,009
Other financial assets	3	63	68	63	68
Intangible assets		1,095	1,116	-	-
Deferred tax assets		3,849	3,512	-	-
		<u>162,940</u>	<u>128,098</u>	<u>78,604</u>	<u>70,546</u>
<b>Current assets</b>					
Other financial assets	3	2,496	1,998	2,496	1,998
Inventories	4	50,055	47,727	-	-
Trade and other receivables	5	159,509	168,541	47,807	45,785
Cash and cash equivalents	6	152,402	147,912	83,231	86,815
Assets held for sale		44,730	46,065	-	-
		<u>409,192</u>	<u>412,243</u>	<u>133,534</u>	<u>134,598</u>
<b>Total assets</b>		<u>572,132</u>	<u>540,341</u>	<u>212,138</u>	<u>205,144</u>
<b>Equity attributable to equity holders of the Company</b>					
Share capital		200,100	200,100	200,100	200,100
Reserves		87,367	77,975	(1,363)	(9,612)
		<u>287,467</u>	<u>278,075</u>	<u>198,737</u>	<u>190,488</u>
<b>Non-controlling interests</b>					
		61,953	58,488	-	-
<b>Total equity</b>		<u>349,420</u>	<u>336,563</u>	<u>198,737</u>	<u>190,488</u>
<b>Non-current liabilities</b>					
Loans and borrowings	7	18,491	221	-	-
Deferred income		2,149	2,020	382	443
Deferred tax liabilities		2,688	2,860	-	-
		<u>23,328</u>	<u>5,101</u>	<u>382</u>	<u>443</u>
<b>Current liabilities</b>					
Trade and other payables, including derivatives	8	128,865	135,619	12,968	14,213
Loans and borrowings	7	68,678	61,224	-	-
Deferred income		278	163	51	-
Current tax liabilities		1,563	1,671	-	-
		<u>199,384</u>	<u>198,677</u>	<u>13,019</u>	<u>14,213</u>
<b>Total liabilities</b>		<u>222,712</u>	<u>203,778</u>	<u>13,401</u>	<u>14,656</u>
<b>Total equity and liabilities</b>		<u>572,132</u>	<u>540,341</u>	<u>212,138</u>	<u>205,144</u>

**Note:**

- Property, plant and equipment increased by S\$31.29 million for the group in 2018 mainly due to construction cost incurred for the new factory and additions of plant and machinery by the overseas subsidiaries.
- Investment properties increased by S\$3.25 million due to acquisition of land in Japan.
- Other financial assets increased by S\$0.49 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.
- Inventories increased by S\$2.33 million in FY 2018 mainly due to cost increase for Singapore Consumer Business. Additionally, Malaysia Consumer Business for paper products increased its stockholdings in anticipation of future cost increase.
- Trade and other receivables decreased by S\$9.03 million mainly due to tightening of credit terms by the Packaging Business to its customers from the China segment.
- 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\$25.72 million was mainly due to the funding requirements of new factory building and production line of Packaging Business during the year.
- The decrease of S\$6.75 million in trade and other payables was partially due to repayment to contractor for the new warehouse constructed in headquarter. Additionally, Packaging Business has shifted to more cost effective suppliers overseas that offered shorter credit term.

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

	As at	
	31/12/2018	31/12/2017
	S\$'000	S\$'000
Amount repayable in one year or less, or on demand		
- secured	46,309	53,005
- unsecured	22,369	8,218
	<u>68,678</u>	<u>61,223</u>
Amount repayable after one year		
- secured	18,491	13
- unsecured	-	208
	<u>18,491</u>	<u>221</u>
Total	<u>87,169</u>	<u>61,444</u>

**Details of any collateral :**

The total secured borrowings of S\$64.80 million as at 31 December 2018 include:

Bank loans and bill payables of S\$64.80 million, secured on leasehold land, certain leasehold buildings, certain plant and machinery, certain motor vehicle and construction in progress held by the Packaging Business with net book value of approximately S\$49.20 million and cash and bank balances of S\$11.0 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>2018</b>	<b>2017</b>
	S\$'000	S\$'000
<b>Cash flows from operating activities</b>		
Profit for the period	22,227	20,916
Adjustments for:		
Amortisation of deferred income	(241)	(158)
Depreciation of investment properties	47	29
Depreciation of property, plant and equipment	9,993	8,743
Loss/(gain) on disposal of property plant and equipment	36	(30)
Net finance income	(834)	(1,023)
Net (increase)/decrease in fair value of financial assets designated at fair value through profit or loss	(498)	43
Inventories written off	195	425
Property, plant and equipment written off	212	123
Tax expense	6,201	5,544
Impairment loss on property, plant and equipment	738	195
Unrealised exchange loss	888	4,293
	<b>38,964</b>	<b>39,100</b>
Changes in:		
- Inventories	1	(3,132) (9,073)
- Trade and other receivables	2	6,394 (27,545)
- Trade and other payables	3	(4,358) 9,608
<b>Cash generated from operations</b>	<b>37,868</b>	<b>12,090</b>
Tax paid	(6,736)	(6,949)
<b>Net cash generated from operating activities</b>	<b>31,132</b>	<b>5,141</b>
<b>Cash flows from investing activities</b>		
Deposit received in relation to assets held-for-sale	-	9,028
Interest received	1,425	1,501
Proceeds from disposal of property, plant and equipment	282	483
Purchase of property, plant and equipment	(44,617)	(50,599)
Purchase of investment property	(2,952)	(7,062)
<b>Net cash used in investing activities</b>	<b>(45,862)</b>	<b>(46,649)</b>
<b>Cash flows from financing activities</b>		
Decrease in pledged deposits	1,890	(8,392)
Interest paid	(1,490)	(1,093)
Payment of finance lease liabilities	(16)	(16)
Dividend paid	(5,034)	(5,072)
Proceeds from borrowings	4	145,772 92,507
Repayment of borrowings	4	(117,521) (67,625)
<b>Net cash generated from financing activities</b>	<b>23,601</b>	<b>10,309</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>8,871</b>	<b>(31,199)</b>
Cash and cash equivalents at beginning of the period	135,019	170,888
Effect of exchange rate fluctuations on cash held	(2,491)	(4,670)
<b>Cash and cash equivalents at end of the period</b>	<b>141,399</b>	<b>135,019</b>
Comprising:		
Cash at bank and in hand	71,531	52,483
Fixed deposits with banks	80,871	95,429
	152,402	147,912
Deposits pledged	(11,003)	(12,893)
	<b>141,399</b>	<b>135,019</b>

**Note:**

- 1 Please refer to note 4 in consolidated statement of financial position.
- 2 Please refer to note 5 in consolidated statement of financial position.
- 3 Please refer to note 8 in consolidated statement of financial position.
- 4 Please refer to note 7 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 2018</b>	<b>204,327</b>	<b>(4,227)</b>	<b>200,100</b>	<b>10,667</b>	<b>52</b>	<b>(18)</b>	<b>(820)</b>	<b>68,094</b>	<b>278,075</b>	<b>58,488</b>	<b>336,563</b>
<b>Total comprehensive income for the period</b>											
Profit for the period	-	-	-	-	-	-	-	13,434	13,434	8,793	22,227
<b>Other comprehensive income</b>											
Foreign currency translation differences of foreign operations	-	-	-	-	-	-	(2,369)	-	(2,369)	(1,683)	(4,052)
Net change in fair value - equity investments at FVOCI	-	-	-	-	(6)	-	-	-	(6)	-	(6)
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	-	11	-	-	11	6	17
Movement in other reserve	-	-	-	(295)	-	-	-	-	(295)	-	(295)
<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(295)</b>	<b>(6)</b>	<b>11</b>	<b>(2,369)</b>	<b>-</b>	<b>(2,659)</b>	<b>(1,677)</b>	<b>(4,336)</b>
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(295)</b>	<b>(6)</b>	<b>11</b>	<b>(2,369)</b>	<b>13,434</b>	<b>10,775</b>	<b>7,116</b>	<b>17,891</b>
<b>Transactions with owners, recognised directly in equity</b>											
<b>Distributions to owners</b>											
Dividends paid	-	-	-	-	-	-	-	(1,384)	(1,384)	(3,650)	(5,034)
<b>Total distributions to owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,384)</b>	<b>(1,384)</b>	<b>(3,650)</b>	<b>(5,034)</b>
<b>Transfer between reserves</b>											
Transfer to reserve fund	-	-	-	1,171	-	-	-	(1,171)	-	-	-
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,171</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,555)</b>	<b>(1,384)</b>	<b>(3,650)</b>	<b>(5,034)</b>
<b>At 31 December 2018</b>	<b>204,327</b>	<b>(4,227)</b>	<b>200,100</b>	<b>11,543</b>	<b>46</b>	<b>(7)</b>	<b>(3,189)</b>	<b>78,973</b>	<b>287,466</b>	<b>61,954</b>	<b>349,420</b>
<b>At 1 January 2017</b>	<b>204,327</b>	<b>(4,227)</b>	<b>200,100</b>	<b>7,815</b>	<b>33</b>	<b>3</b>	<b>(3,119)</b>	<b>65,728</b>	<b>270,560</b>	<b>51,803</b>	<b>322,363</b>
<b>Impact of adoption of IFRS 1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,119</b>	<b>(3,119)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>At 1 January 2017, as restated</b>	<b>204,327</b>	<b>(4,227)</b>	<b>200,100</b>	<b>7,815</b>	<b>33</b>	<b>3</b>	<b>0</b>	<b>62,609</b>	<b>270,560</b>	<b>51,803</b>	<b>322,363</b>
<b>Total comprehensive income for the period</b>											
Profit for the period	-	-	-	-	-	-	-	11,103	11,103	9,813	20,916
<b>Other comprehensive income</b>											
Foreign currency translation differences of foreign operations	-	-	-	-	-	-	(820)	-	(820)	(815)	(1,635)
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	-	(21)	-	-	(21)	(8)	(29)
Net change in fair value of available-for-sale financial assets	-	-	-	-	19	-	-	-	19	-	19
<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19</b>	<b>(21)</b>	<b>(820)</b>	<b>-</b>	<b>(822)</b>	<b>(823)</b>	<b>(1,645)</b>
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19</b>	<b>(21)</b>	<b>(820)</b>	<b>11,103</b>	<b>10,281</b>	<b>8,990</b>	<b>19,271</b>
<b>Transactions with owners, recognised directly in equity</b>											
<b>Distributions to owners</b>											
Dividends paid	-	-	-	-	-	-	-	(2,766)	(2,766)	(2,305)	(5,071)
<b>Total distributions to owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,766)</b>	<b>(2,766)</b>	<b>(2,305)</b>	<b>(5,071)</b>
<b>Transfer between reserves</b>											
Transfer to reserve fund	-	-	-	2,852	-	-	-	(2,852)	-	-	-
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,852</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5,618)</b>	<b>(2,766)</b>	<b>(2,305)</b>	<b>(5,071)</b>
<b>At 31 December 2017</b>	<b>204,327</b>	<b>(4,227)</b>	<b>200,100</b>	<b>10,667</b>	<b>52</b>	<b>(18)</b>	<b>(820)</b>	<b>68,094</b>	<b>278,075</b>	<b>58,488</b>	<b>336,563</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 January 2018</b>	<b>204,327</b>	<b>(4,227)</b>	<b>200,100</b>	<b>491</b>	<b>51</b>	<b>(10,154)</b>	<b>190,488</b>
<b>Total comprehensive income for the period</b>							
Profit for the period	-	-	-	-	-	9,639	9,639
<b>Other comprehensive income</b>							
Net change in fair value - equity investments at FVOCI	-	-	-	-	(6)	-	(6)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(6)</b>	<b>9,639</b>	<b>9,633</b>
<b>Transactions with owners, recognised directly in equity</b>							
<b>Distributions to owners</b>							
Dividends paid	-	-	-	-	-	(1,384)	(1,384)
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,384)</b>	<b>(1,384)</b>
<b>At 31 December 2018</b>	<b>204,327</b>	<b>(4,227)</b>	<b>200,100</b>	<b>491</b>	<b>45</b>	<b>(1,899)</b>	<b>198,737</b>
<b>At 1 January 2017</b>	<b>204,327</b>	<b>(4,227)</b>	<b>200,100</b>	<b>491</b>	<b>32</b>	<b>(9,081)</b>	<b>191,542</b>
<b>Total comprehensive income for the period</b>							
Profit for the period	-	-	-	-	-	1,693	1,693
<b>Other comprehensive income</b>							
Net change in fair value of available-for-sale financial assets	-	-	-	-	19	-	19
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19</b>	<b>1,693</b>	<b>1,712</b>
<b>Transactions with owners, recognised directly in equity</b>							
<b>Distributions to owners</b>							
Dividends paid	-	-	-	-	-	(2,766)	(2,766)
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,766)</b>	<b>(2,766)</b>
<b>At 31 December 2017</b>	<b>204,327</b>	<b>(4,227)</b>	<b>200,100</b>	<b>491</b>	<b>51</b>	<b>(10,154)</b>	<b>190,488</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) <u>Share Capital</u> Group and Company	2018	2017
	No. of shares	No. of shares
In issue at 1 January and 31 December	570,996,746	570,996,746
(ii) <u>Treasury shares</u> Group and Company	2018	2017
	No. of shares	No. of shares
Balance as at the end of the period	17,581,000	17,581,000

(iii) There were no subsidiary holdings as at 31 December 2018 and 31 December 2017.

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 (31 December 2017: 553,415,746).

(iv) HANWELL Executives' Share Option Scheme 2003

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 2018. 10,150,000 shares may be issued on conversion of all the outstanding options at the end of the current period. The share options previously granted had expired in January 2019.



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	
	31/12/2018	31/12/2017
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 2017.

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.

In adopting the new SFRS(I) framework with effect from 1 January 2018, the Group is required to apply the specific transition requirements in SFRS(I) 1 First-time Adoption of International Financial Reporting Standards.

In addition, during the current financial year, the Group and the Company have adopted the following new SFRS(I)s, amendments and interpretations of SFRS(I)s which took effect from financial year beginning 1 January 2018:

- SFRS(I) 15 Revenue from Contracts with Customers which includes the clarifications to IFRS 15 Revenue from Contracts with Customers;
- SFRS(I) 9 Financial Instruments which includes the amendments to IFRS 4 Insurance Contracts – Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts;
- Requirements in SFRS(I) 2 Share-based payment arising from the amendments to IFRS 2 – Classification and Measurement of Share-based Payment Transactions;
- Requirements in SFRS(I) 1-40 Investment Property arising from the amendments to IAS 40 – Transfers of Investment Property;
- Requirements in SFRS(I) 1 arising from the amendments to IFRS 1 – Deletion of short-term exemptions for first-time adopters;
- Requirements in SFRS(I) 1-28 Investments in Associates and Joint Ventures arising from the amendments to IAS 28 – Measuring an Associate or Joint Venture at Fair Value; and
- SFRS(I) INT 22 Foreign Currency Transactions and Advance Consideration.

#### SFRS(I) 1

The Group has adopted SFRS(I) for the financial year ended 31 December 2018 ("FY 2018") and has applied SFRS(I) 1 with 1 January 2017 as the date of transition for the Group and the Company. The Group has elected the optional exemption in SFRS(I) 1 to reset its cumulative Foreign Currency Translation Reserve ("FCTR") for all foreign operations to NIL at the date of transition, and reclassify the cumulative FCTR of approximately \$3,119,149 as at 1 January 2017 as determined in accordance with the previous Financial Reporting Standards (FRS) at that date to retained earnings. After the date of transition, any gain or loss on disposal of any foreign operations will exclude translation differences that arose before the date of transition.

#### SFRS(I) 9

SFRS(I) 9 replaces the current 'incurred loss' model with a forward-looking expected credit loss ("ECL") model. The new impairment model applies to financial assets measured at amortised cost or fair value through other comprehensive income ("FVOCI"), except for investments in equity instruments, and certain loan commitments and financial guarantee contracts.

In compliance with SFRS(I) 9, the Group has applied the simplified approach and has recorded the amount of loss allowance on all trade and other receivables by ascertaining the amount of ECLs that would result from all possible default events over the expected life of a financial instrument (lifetime ECLs). Based on the assessment made, there was no significant changes in impairment for trade and other receivables of the Group and the Company respectively as at 1 January 2018 with the adoption of SFRS(I) 9.

#### SFRS(I) 15

SFRS(I) 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met. There's no significant adjustments on adoption of SFRS(I) 15.

**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 to Date Ended	
	31/12/2018	31/12/2017
	cents	cents
Earnings per ordinary share of the group for the financial period based on net profit attributable to shareholders:		
Basic earnings per share	2.43	2.01
Diluted earnings per share	2.41	1.99

**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	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
	cents	cents	cents	cents
Net asset value per ordinary share based on issued share capital at the end of the period reported on	51.94	50.25	35.91	34.42

**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	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
	S\$'000	S\$'000	S\$'000	S\$'000
<b>By Business Segments</b>				
<b>Consumer Essentials</b>				
Consumer Business	168,091	160,977	6,281	7,543
<b>Strategic Investments</b>				
Packaging	333,279	302,925	26,859	28,121
Others	182	115	(2,885)	(953)
	<u>501,552</u>	<u>464,017</u>	<u>30,255</u>	<u>34,711</u>
<b>Unallocated amounts:</b>				
- Other corporate expenses, net of income			(3,160)	(9,231)
			<u>27,095</u>	<u>25,480</u>
<b>By Geographical Locations</b>				
Singapore	145,016	141,869	(4,826)	(8,469)
Malaysia	68,072	59,016	5,026	4,116
China	288,282	263,017	27,296	29,816
	182	115	(401)	17
	<u>501,552</u>	<u>464,017</u>	<u>27,095</u>	<u>25,480</u>

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

**Consumer Business**

Revenue increased by S\$7.11 million or 4.42% in FY 2018, from S\$160.98 million in FY 2017 to S\$168.09 million in FY 2018. The increase was mainly due to higher distribution sales in Malaysia from new agency products, more aggressive promotions and working closely with various distribution channels to drive sales.

The Consumer Business recorded a PBIT of S\$6.28 million in FY 2018 as compared to S\$7.54 million in FY 2017. Excluding foreign currency impact, the PBIT in FY 2018 is S\$6.24 million as compared to S\$11.04 million in FY 2017. This is mainly due to reduced gross profit margin for Singapore Consumer Business.

**Packaging Business**

Revenue increased by 10.02% or S\$30.35 million from S\$302.93 million in FY 2017 to S\$333.28 million in FY2018. Total revenue of China's operations increased by 9.6% or S\$25.2 million in FY2018, mainly due to China subsidiaries' ability to raise their selling price and pass on partial of the increased cost of raw material to the customers. The increase in revenue was also partly attributed to higher sales volume. Total revenue achieved by the Singapore entities in FY2018 increased by 12.8% or S\$5.1 million from S\$39.9 million in FY2017, mainly attributable to higher demand from customers.

The segment recorded a PBIT of S\$26.86 million in FY 2018 as compared to S\$28.12 million in FY 2017. This is mainly contributed by a lower gross profit margin because of higher raw material costs as compared to FY 2017.

**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.**

For FY 2018, Consumer business registered a revenue growth of 5.11% over the same period last year. The sector's gross profit experienced a lower growth of 0.59% as it is unable to pass on the full impact of cost increase in raw materials to the consumers. This sector does not foresee any immediate improvement in margin as the cost of raw materials is not showing any sign of recovery. The current weak consumers' sentiments is affecting purchases as the world economy is experiencing an overall low growth trend.

The Packaging Business expects its operating environment to become more challenging due to trade tensions between China and USA. This may result in a slow down or downward trend on its market conditions in China and Singapore. This segment will continue to exercise vigilance on its credit exposure and maintain a healthy financial position. It will continue to build a stronger foundation, enhance the product quality and production efficiency so as to create a sustainable growth for the Group.

The new plant owned by Nantong Tat Seng is ready to commence its operation in March 2019, while Nantong Hengcheng Paper Industry Co., Ltd. ("Nantong Hengcheng") will shut down its manufacturing activity. Nantong Tat Seng will take over the existing clients from Nantong Hengcheng. In addition, the management is confident the new state-of-the-art plant will help the Group to seize new business opportunities and further accelerate the strengthening and expansion of its market share in Nantong and surrounding areas.

**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\$0.01 per ordinary share
Tax Rate	Exempt (1-tier)
Date Paid	To be approved by shareholders at the forthcoming AGM

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

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\$0.0025 per ordinary share
Tax Rate	Exempt (1-tier)
Date Paid	22nd May 2018

**(c) Date payable**

The proposed FY 2018 Final Dividend shall be payable on 28 May 2019

**(d) Books closure date**

Notice is hereby given that subject to the approval of the shareholders of Hanwell Holdings Limited (the "Company") for the first and final Dividend being obtained at the Annual General Meeting ("AGM"), the Register of Members and the Transfer Books of the Company will be closed on 10 May 2019 for the purpose of determining shareholders' entitlements to the proposed first and final Dividend.

Duly completed transfers in respect of ordinary shares of the Company received by the Company's Share Registrar, M & C Services Private Limited of 112 Robinson Road, #05-01, Singapore 068902 up to 5.00 p.m. on 9 May 2019 will be registered before entitlements to the Proposed first and final Dividend are determined. Shareholders whose securities account with The Central Depository (Pte) Limited are credited with ordinary shares of the Company at 5.00 p.m. on 9 May 2019 will be entitled to the proposed first and final Dividend.

**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.**

2018	Consumer Essentials	Strategic Investments	Others	Total
	Consumer Business S\$'000	Packaging S\$'000	S\$'000	S\$'000
<b>Revenue and expenses</b>				
Total revenue	168,091	333,279	182	501,552
Results from operating activities	6,281	26,859	(2,885)	30,255
Unallocated amounts - Other corporate expenses				(3,160)
Net finance income				1,333
Share of losses of associates (net of tax)				-
Profit before tax				28,428
Tax expense				(6,201)
Profit for the year				22,227

2017	Consumer Essentials	Strategic Investments	Others	Total
	Consumer Business S\$'000	Packaging S\$'000	S\$'000	S\$'000
<b>Revenue and expenses</b>				
Total revenue	160,977	302,925	115	464,017
Results from operating activities	7,543	28,121	(953)	34,711
Unallocated amounts - Other corporate expenses				(9,231)
Net finance costs				980
Share of losses of associates (net of tax)				-
Loss before tax				26,460
Tax expense				(5,544)
Loss for the year				20,916

**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 to Date Ended 31/12/2018 S\$'000	Year to Date Ended 31/12/2017 S\$'000	
Sales reported for first half year	247,965	212,188	16.9
Operating profit after tax before deducting non-controlling interests reported for first half year	11,860	6,019	97.0
Sales reported for second half year	253,587	251,829	0.7
Operating profit after tax before deducting non-controlling interests reported for second half year	10,367	14,897	(30.4)

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

<b>Latest Full Year</b>	<b>Previous Full Year</b>
S\$'000	S\$'000
5,534*	1,384

Final cash dividend

\* 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).**

<b>Name</b>	<b>Age</b>	<b>Family relationship with any director and/or substantial shareholder</b>	<b>Current position and duties, and the year the position was held</b>	<b>Details of changes in duties and position held, if any, during the year</b>
Tang Chi Ming	46	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.  Assist in overseeing Management Information System department and Topseller agency brand management.	Change in duties during Year 2018:  - With effect from 14 August 2018, Mr Tang Chi Ming will assist in overseeing Management Information System (MIS) department. His focus in MIS will be network security, system enhancement and IT project management.  - With effect from 14 August 2018, Mr Tang Chi Ming will assist Topseller on agency brand management. He will focus on building stronger network and business relationship with agency brands.

**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  
22 February 2019