

**Financial Statements For The Year Ended 31 December 2018**
**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS**

1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	<b>The Group</b>		Change %
	Year ended 31-Dec-18 \$'000	Year ended 31-Dec-17 \$'000	
<b>Revenue</b>	<b>333,325</b>	<b>302,963</b>	10.0%
<b>Cost of sales</b>	<b>(272,810)</b>	<b>(241,513)</b>	13.0%
<b>Gross profit</b>	<b>60,515</b>	<b>61,450</b>	-1.5%
Other income	2,995	1,131	164.8%
Distribution and selling expenses	(15,495)	(14,522)	6.7%
General and administrative expenses	(19,311)	(18,496)	4.4%
Other expenses	(1,097)	(830)	32.2%
Finance costs	(1,694)	(1,257)	34.8%
<b>Profit before tax</b>	<b>25,913</b>	<b>27,476</b>	-5.7%
Tax expense	(4,784)	(4,827)	-0.9%
<b>Profit for the year</b>	<b>21,129</b>	<b>22,649</b>	-6.7%
<b>Profit attributable to:</b>			
<b>Owners of the Company</b>	<b>19,337</b>	<b>20,349</b>	-5.0%
<b>Non-controlling interests</b>	<b>1,792</b>	<b>2,300</b>	-22.1%
<b>Profit for the year</b>	<b>21,129</b>	<b>22,649</b>	
<b>Consolidated Statement of Comprehensive Income</b>			
Profit for the year	21,129	22,649	-6.7%
<b>Other comprehensive income:</b>			
Items that are or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences	(3,395)	(1,571)	116.1%
Effective portion of changes in fair value of cash flow hedges	17	(29)	-158.6%
<b>Other comprehensive income for the year, net of tax</b>	<b>(3,378)</b>	<b>(1,600)</b>	111.1%
<b>Total comprehensive income for the year</b>	<b>17,751</b>	<b>21,049</b>	-15.7%
<b>Total comprehensive income attributable to:</b>			
<b>Owners of the Company</b>	<b>16,256</b>	<b>18,861</b>	-13.8%
<b>Non-controlling interests</b>	<b>1,495</b>	<b>2,188</b>	-31.7%
<b>Total comprehensive income for the year</b>	<b>17,751</b>	<b>21,049</b>	
<b>Note on profit before tax</b>			
Profit before tax is determined after charging/(crediting) the following:			
Interest income from fixed deposit and others	(383)	(286)	
Interest expense on loans and borrowings	1,489	1,092	
Depreciation of property, plant and equipment	6,941	6,452	
Impairment loss on property, plant and equipment	738	195	
Property, plant and equipment written off	90	18	
Loss on disposal of property, plant and equipment (net)	53	36	
Amortisation of intangible assets	3	3	
Reversal of doubtful receivables (net)	(159)	(63)	
(Reversal of)/allowances made for impairment loss for inventories	(292)	716	
(Gain)/Loss on foreign exchange (net)	(844)	361	
<b>Taxation</b>			
Current year income tax	4,968	6,059	
Under/(over) provision of tax in respect of prior years	226	(946)	
Current year deferred tax	(354)	(380)	
(Over)/under provision of deferred tax in respect of prior years	(56)	94	
	4,784	4,827	

NM - Not Meaningful

**1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year**

	<b>The Group</b>		<b>The Company</b>	
	As at 31-Dec-18 \$'000	As at 31-Dec-17 \$'000	As at 31-Dec-18 \$'000	As at 31-Dec-17 \$'000
<b>Non-current assets</b>				
Property, plant and equipment	86,331	65,935	2,214	2,607
Investment in subsidiaries	-	-	28,507	28,037
Intangible assets	1,106	1,141	12	15
Deferred tax assets	3,647	3,267	2,375	2,145
	<b>91,084</b>	<b>70,343</b>	<b>33,108</b>	<b>32,804</b>
<b>Current assets</b>				
Inventories	26,151	25,853	101	120
Trade and other receivables	126,317	133,130	7,486	4,889
Cash and cash equivalents	59,492	40,022	1,292	4,500
	<b>211,960</b>	<b>199,005</b>	<b>8,879</b>	<b>9,509</b>
<b>Current liabilities</b>				
Trade and other payables	73,144	77,817	6,105	6,019
Loans and borrowings	68,678	61,224	13	16
Deferred income	200	137	5	-
Current tax payable	793	1,225	-	-
	<b>142,815</b>	<b>140,403</b>	<b>6,123</b>	<b>6,035</b>
<b>Net current assets</b>	<b>69,145</b>	<b>58,602</b>	<b>2,756</b>	<b>3,474</b>
<b>Non-current liabilities</b>				
Deferred income	1,434	1,217	27	-
Loans and borrowings	18,491	221	-	13
Deferred tax liabilities	1,530	1,532	-	-
	<b>21,455</b>	<b>2,970</b>	<b>27</b>	<b>13</b>
<b>Net assets</b>	<b>138,774</b>	<b>125,975</b>	<b>35,837</b>	<b>36,265</b>
<b>Equity attributable to owners of the Company</b>				
Share capital	31,440	31,440	31,440	31,440
Retained earnings	86,497	73,047	4,397	4,825
Capital reserve	3,566	3,566	-	-
Statutory reserve fund	11,710	10,539	-	-
Hedging reserve	(10)	(27)	-	-
Foreign currency translation reserve	(4,557)	(1,459)	-	-
	<b>128,646</b>	<b>117,106</b>	<b>35,837</b>	<b>36,265</b>
Non-controlling interests	10,128	8,869	-	-
<b>Total equity</b>	<b>138,774</b>	<b>125,975</b>	<b>35,837</b>	<b>36,265</b>

**1(b)(ii) Aggregate amount of group's borrowings, bills payable and debt securities**

	As at 31/12/2018		As at 31/12/2017	
	Secured	Unsecured	Secured	Unsecured
Amount repayable in one year or less, or on demand	46,309	22,369	53,005	8,219
Amount repayable after one year	18,491	-	13	208

**Details of any collateral**

The Group's loans and borrowings are secured by certain property, plant and equipment with net book value of approximately S\$49.2 million (2017: S\$23.5 million) and cash and cash equivalents amounting to S\$11.0 million (2017: S\$12.9 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 FLOW**

	<b>The Group</b>	
	Year ended 31-Dec-18 \$'000	Year ended 31-Dec-17 \$'000
<b>Cash flows from operating activities</b>		
Profit before tax	25,913	27,476
Adjustments for:		
Amortisation of deferred income	(181)	(144)
Depreciation of property, plant and equipment	6,941	6,452
Impairment loss on property, plant and equipment	738	195
Property, plant and equipment written off	90	18
Net loss on disposal of property, plant and equipment	53	36
Amortisation of intangible assets	3	3
Reversal of doubtful trade receivables (net)	(159)	(63)
(Reversal of)/allowances made for impairment loss for inventories	(292)	716
Interest expense	1,489	1,092
Interest income	(383)	(286)
Net effect of exchange differences	146	(19)
	<b>34,358</b>	<b>35,476</b>
<b>Changes in:</b>		
- Inventories	(617)	(7,739)
- Trade and other receivables	3,473	(36,606)
- Trade and other payables	(2,451)	8,615
<b>Cash generated from operations</b>	<b>34,763</b>	<b>(254)</b>
Interest paid	(1,490)	(1,093)
Taxes paid (net)	(5,602)	(5,743)
<b>Net cash from/(used in) operating activities</b>	<b>27,671</b>	<b>(7,090)</b>
<b>Cash flows from investing activities</b>		
Interest received	383	286
Acquisition of property, plant and equipment	(30,439)	(16,723)
Proceeds from disposal of property, plant and equipment	190	377
<b>Net cash used in investing activities</b>	<b>(29,866)</b>	<b>(16,060)</b>
<b>Cash flows from financing activities</b>		
Proceeds from loans and borrowings	145,772	92,507
Repayment of loans and borrowings	(117,537)	(67,641)
(Decrease)/increase in pledged deposit	1,557	(8,450)
Dividends paid	(4,716)	(6,288)
Dividend paid to non-controlling interests	(236)	(228)
<b>Net cash from financing activities</b>	<b>24,840</b>	<b>9,900</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>22,645</b>	<b>(13,250)</b>
Cash and cash equivalents at 1 January	27,129	40,947
Effect of exchange rate fluctuations on cash held	(1,284)	(568)
<b>Cash and cash equivalents at 31 December</b>	<b>48,490</b>	<b>27,129</b>
<b>Cash and cash equivalents at end of year comprise of:-</b>		
<b>Cash and bank balances</b>	<b>59,492</b>	<b>40,022</b>
<b>Cash and bank balances pledged as security for bills payable</b>	<b>(11,002)</b>	<b>(12,893)</b>
	<b>48,490</b>	<b>27,129</b>

**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**

	Share capital	Capital reserve	Statutory reserve fund	Hedging reserve	Foreign currency translation reserve (Restated)	Retained earnings (Restated)	Total	Non-controlling interests	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Group</b>									
<b>At 1/1/2017</b>	<b>31,440</b>	<b>3,566</b>	<b>7,687</b>	<b>2</b>	<b>2,646</b>	<b>59,192</b>	<b>104,533</b>	<b>6,909</b>	<b>111,442</b>
Impact of adoption of SFRS(I) 1	-	-	-	-	(2,646)	2,646	-	-	-
<b>At 1/1/2017, as restated</b>	<b>31,440</b>	<b>3,566</b>	<b>7,687</b>	<b>2</b>	<b>-</b>	<b>61,838</b>	<b>104,533</b>	<b>6,909</b>	<b>111,442</b>
<b>Total comprehensive income for the year</b>									
Profit for the year	-	-	-	-	-	20,349	20,349	2,300	<b>22,649</b>
<b>Other comprehensive income</b>									
Foreign currency translation differences	-	-	-	-	(1,459)	-	(1,459)	(112)	<b>(1,571)</b>
Effective portion of changes in fair value of cash flow hedges	-	-	-	(29)	-	-	(29)	-	<b>(29)</b>
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(29)</b>	<b>(1,459)</b>	<b>20,349</b>	<b>18,861</b>	<b>2,188</b>	<b>21,049</b>
<b>Transaction with owners of the Company, recognised directly in equity</b>									
<b>Contributions by and distributions to owners of the Company</b>									
Dividends to owners of the Company	-	-	-	-	-	(6,288)	(6,288)	(228)	<b>(6,516)</b>
Transfer to reserve fund	-	-	2,852	-	-	(2,852)	-	-	-
<b>Total contributions by and distributions to owners</b>	<b>-</b>	<b>-</b>	<b>2,852</b>	<b>-</b>	<b>-</b>	<b>(9,140)</b>	<b>(6,288)</b>	<b>(228)</b>	<b>(6,516)</b>
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>2,852</b>	<b>-</b>	<b>-</b>	<b>(9,140)</b>	<b>(6,288)</b>	<b>(228)</b>	<b>(6,516)</b>
<b>At 31/12/2017</b>	<b>31,440</b>	<b>3,566</b>	<b>10,539</b>	<b>(27)</b>	<b>(1,459)</b>	<b>73,047</b>	<b>117,106</b>	<b>8,869</b>	<b>125,975</b>
<b>At 1/1/2018</b>	<b>31,440</b>	<b>3,566</b>	<b>10,539</b>	<b>(27)</b>	<b>(1,459)</b>	<b>73,047</b>	<b>117,106</b>	<b>8,869</b>	<b>125,975</b>
<b>Total comprehensive income for the year</b>									
Profit for the year	-	-	-	-	-	19,337	19,337	1,792	<b>21,129</b>
<b>Other comprehensive income</b>									
Foreign currency translation differences	-	-	-	-	(3,098)	-	(3,098)	(297)	<b>(3,395)</b>
Effective portion of changes in fair value of cash flow hedges	-	-	-	17	-	-	17	-	<b>17</b>
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17</b>	<b>(3,098)</b>	<b>19,337</b>	<b>16,256</b>	<b>1,495</b>	<b>17,751</b>
<b>Transaction with owners of the Company, recognised directly in equity</b>									
<b>Contributions by and distributions to owners of the Company</b>									
Dividends to owners of the Company	-	-	-	-	-	(4,716)	(4,716)	(236)	<b>(4,952)</b>
Transfer to reserve fund	-	-	1,171	-	-	(1,171)	-	-	-
<b>Total contributions by and distributions to owners</b>	<b>-</b>	<b>-</b>	<b>1,171</b>	<b>-</b>	<b>-</b>	<b>(5,887)</b>	<b>(4,716)</b>	<b>(236)</b>	<b>(4,952)</b>
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>1,171</b>	<b>-</b>	<b>-</b>	<b>(5,887)</b>	<b>(4,716)</b>	<b>(236)</b>	<b>(4,952)</b>
<b>At 31/12/2018</b>	<b>31,440</b>	<b>3,566</b>	<b>11,710</b>	<b>(10)</b>	<b>(4,557)</b>	<b>86,497</b>	<b>128,646</b>	<b>10,128</b>	<b>138,774</b>

	Share capital	Retained earnings	Total Equity
	\$'000	\$'000	\$'000
<b>Company</b>			
<b>At 1/1/2017</b>	<b>31,440</b>	<b>4,157</b>	<b>35,597</b>
<b>Total comprehensive income for the year</b>			
Profit for the year	-	6,956	<b>6,956</b>
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>6,956</b>	<b>6,956</b>
<b>Transactions with owners, recognised directly in equity</b>			
Dividends to owners of the Company	-	(6,288)	<b>(6,288)</b>
<b>Total contributions by and distributions to owners / Total transactions with owners</b>	<b>-</b>	<b>(6,288)</b>	<b>(6,288)</b>
<b>At 31/12/2017</b>	<b>31,440</b>	<b>4,825</b>	<b>36,265</b>
<b>At 1/1/2018</b>	<b>31,440</b>	<b>4,825</b>	<b>36,265</b>
<b>Total comprehensive income for the year</b>			
Profit for the year	-	4,288	<b>4,288</b>
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>4,288</b>	<b>4,288</b>
<b>Transactions with owners, recognised directly in equity</b>			
Dividends to owners of the Company	-	(4,716)	<b>(4,716)</b>
<b>Total contributions by and distributions to owners / Total transactions with owners</b>	<b>-</b>	<b>(4,716)</b>	<b>(4,716)</b>
<b>At 31/12/2018</b>	<b>31,440</b>	<b>4,397</b>	<b>35,837</b>

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buybacks, 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.

Since the end of 31 December 2017, there has been no change in the Company's share capital arising from rights issue, bonus issue, shares buy-back, 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.

There were also no outstanding convertibles for which shares may be issued. Neither was there any treasury shares being transferred, transacted, cancelled or held by the Company during or as at the end of the current financial year and the previous financial year.

There were no subsidiary holdings during or as at the end of the current financial year and the previous 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 31/12/2018	As at 31/12/2017
Total number of issued shares	157,200,000	157,200,000

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable

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

2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or and equivalent standard)

The figures have neither been audited nor reviewed by auditors.

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**

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting year compared with those of the audited financial statements for the year ended 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.

**SFRS(I) 1**

The Group has adopted SFRS(I) for the financial year ending 31 December 2018 ("FY2018") 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 \$2,645,475 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.

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; and
- SFRS(I) 9 Financial Instruments which includes the amendments to IFRS4 Insurance Contracts – Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts;

**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 impact on adoption of SFRS(I) 15.

**6. Earnings 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**

	<u>31-Dec-18</u>	<u>31-Dec-17</u>
Basic and diluted earnings per ordinary share (in cents)	12.30	12.94

**7. Net asset value (for the issuer and group) per ordinary share based on issued share excluding treasury shares of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year**

	<b>The Group</b>		<b>The Company</b>	
	<u>31-Dec-18</u>	<u>31-Dec-17</u>	<u>31-Dec-18</u>	<u>31-Dec-17</u>
Net asset value per ordinary share based on no. of ordinary share of the Company (in cents)	81.84	74.49	22.80	23.07

**8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**

**(a) 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; and**

The Group registered revenue of S\$333.3 million in FY2018, representing an increase of 10.0% or S\$30.3 million as compared to S\$303.0 million in FY2017.

Total revenue of China's operations increased by 9.6% or S\$25.2 million in the Group's reporting currency (SGD) in FY2018, mainly due to our China subsidiaries' ability to raise its selling price and passing on partial of the increased cost of raw material to our customers. The increase of 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 its customers.

The Group's gross profit reduced by 1.5% or S\$0.9 million from S\$61.5 million in FY2017 to S\$60.5 million in FY2018. The decrease in gross profit margin of 2.1% was attributed to higher raw material costs as compared to FY2017.

Other income increased by S\$1.9 million in FY2018 as compared to FY2017 mainly due to net exchange gain of S\$0.8 million and increase of government grant by S\$0.8 million.

Distribution and selling expenses increased by S\$1.0 million or 6.7%, which was in line with the increase of turnover.

General and administrative expenses increased by S\$0.8 million in FY2018 mainly due to higher staff costs and partly attributable to additional property tax of the new factory of Nantong Tat Seng Packaging Co., Ltd. ("Nantong Tat Seng") and professional fees.

Other expenses increased by S\$0.3 million in FY2018 as compared to FY2017 mainly due to higher impairment losses on property, plant and equipment by S\$0.5 million and offset by reduction of net exchange loss in FY2017.

Finance costs increased by S\$0.4 million or 34.8% in FY2018 as compared to FY2017 mainly due to financing for the capital expenditure of new plant of Nantong Tat Seng.

As a result, the net profit attributable to owners of the Company decreased by 5.0% or S\$1.0 million in FY2018 as compared to FY2017.

**(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

Property, plant & equipment increased by S\$20.4 million as compared to FY2017. This net increase was mainly due to the expansion of the Group's business operation in Nantong Tat Seng.

Trade and other receivables decreased by S\$6.8 million, which mainly attributed to the tightening of credit terms for customers of corrugated board in China segment.

Long term loans and borrowings increased by S\$18.3 million mainly due to the funding requirements of new factory building and production line of Nantong Tat Seng during the year.

Foreign currency translation reserve reduced by S\$3.1 million due to the weakening of RMB against SGD.

Cash and cash equivalents excluding bank balances pledged as security increased by S\$21.4 million. The increase was mainly contributed from net cash generated from operating activities of S\$27.7 million and financing activities of S\$24.8 million and partially offset by payment made for acquisition of property, plant and equipment of S\$30.4 million.

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

No forecast was provided previously .

**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 expects its operating environment to become more challenging due to trade tensions between China and US. As a result, it may lead to the slow down or even a downward trend of its market conditions in both China and Singapore.

The Group will continue to exercise vigilance on its credit exposure and maintain a healthy financial position. We will continue to build a stronger foundation, enhance our 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	Interim Ordinary	Final
Dividend Type	Cash; Tax exempt (1-tier) dividend	Cash; Tax exempt (1-tier) dividend
Dividend Amount Per Share	S\$0.01 per ordinary share	S\$0.02 per ordinary share
Tax Rate	Exempt (1-tier)	Exempt (1-tier)
Date Paid	Paid on 28/9/2018	To be approved by shareholders at the forthcoming AGM

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

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

Name of Dividend	Interim Ordinary	Final
Dividend Type	Cash; Tax exempt (1-tier) dividend	Cash; Tax exempt (1-tier) dividend
Dividend Amount Per Share	S\$0.01 per ordinary share	S\$0.02 per ordinary share
Tax Rate	Exempt (1-tier)	Exempt (1-tier)
Date Paid	Paid on 29/9/2017	Paid on 18/5/2018

**(c) Date payable** 24 May 2019

**(d) Books closure date** 10 May 2019

**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 for Interested Person Transactions. There were no Interested Person Transactions for the period under review.

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

**(This part is not applicable to Q1, Q2, Q3 or Half Year Results)**

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

	2018			2017		
	Singapore \$'000	PRC \$'000	Group \$'000	Singapore \$'000	PRC \$'000	Group \$'000
Turnover	45,043	288,282	333,325	39,946	263,017	302,963
Segment results	(2,302)	29,909	27,607	(1,507)	30,240	28,733
Finance cost			(1,694)			(1,257)
Taxation			(4,784)			(4,827)
Net profit for the year			21,129			22,649
Segment assets	27,258	272,139	299,397	28,710	237,371	266,081
Unallocated assets			3,647			3,267
Total assets			303,044			269,348
Segment liabilities	10,108	151,839	161,947	10,831	129,785	140,616
Unallocated liabilities			2,323			2,757
Total liabilities			164,270			143,373
Other segment information:						
Amortisation of intangible assets	3	-	3	3	-	3
Capital expenditure	2,977	27,640	30,617	1,867	14,668	16,535
Impairment loss on property, plant and equipment	-	737	737	-	195	195
Depreciation	1,421	5,520	6,941	1,160	5,292	6,452

**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**

Please refer to item no. 8 above.



**16. A breakdown of sales**

	2018 \$'000	2017 \$'000	% increase/ (decrease)
Sales reported for first half year	163,205	131,012	24.6%
Profit after tax reported for first half year	11,015	7,855	40.2%
Sales reported for second half year	170,120	171,951	-1.1%
Profit after tax reported for second half year	10,114	14,794	-31.6%

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

	2018 \$'000	2017 \$'000
Interim cash dividend	1,572	1,572
Final cash dividend	3,144*	3,144
Total annual dividend	<u>4,716</u>	<u>4,716</u>

\* 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) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

There are no persons occupying managerial positions in the Company or any of its principal subsidiaries who are a relative to a Director, Chief Executive Officer or Substantial Shareholder of the Company

**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**

Loh See Moon  
Managing Director  
22 February 2019