

**FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT::HALF YEARLY RESULTS****Issuer & Securities****Issuer/ Manager**

TAT SENG PACKAGING GROUP LTD

**Securities**

TAT SENG PACKAGING GROUP LTD - SG1K31894969 - T12

**Stapled Security**

No

**Announcement Details****Announcement Title**

Financial Statements and Related Announcement

**Date & Time of Broadcast**

11-Aug-2023 19:32:09

**Status**

New

**Announcement Sub Title**

Half Yearly Results

**Announcement Reference**

SG230811OTHRN5IS

**Submitted By (Co./ Ind. Name)**

Siau Kuei Lian

**Designation**

Company Secretary

**Description (Please provide a detailed description of the event in the box below - Refer to the Online help for the format)**

Please refer to the attachment.

**Additional Details****For Financial Period Ended**

30/06/2023

**Attachments**[Condensed Interim Financial Statements For The Six Months Ended 30 June 2023.pdf](#)

Total size =786K MB



**TAT SENG PACKAGING GROUP LTD**  
**達 成 包 裝 集 團**

Company Registration No.: 197702806M

**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2023**

## Table of Contents

	Page
A. Condensed interim consolidated statement of profit or loss and other comprehensive income	1
B. Condensed interim statements of financial position	2
C. Condensed interim statements of changes in equity	3
D. Condensed interim consolidated statement of cash flows	4
E. Notes to the condensed interim consolidated financial statements	5
F. Other information required by Listing Rule Appendix 7.2	9

## A. Condensed interim consolidated statement of profit or loss and other comprehensive income

		The Group		
		Half year ended		
		30 June		
	Note	2023 \$'000	2022 \$'000	Change %
<b>Revenue</b>	4	126,334	175,438	-28.0%
<b>Cost of sales</b>		(101,389)	(144,724)	-29.9%
<b>Gross profit</b>		<b>24,945</b>	<b>30,714</b>	-18.8%
Other income		1,784	1,776	0.5%
Distribution and selling expenses		(8,091)	(9,570)	-15.5%
General and administrative expenses		(7,291)	(9,176)	-20.5%
Reversal of allowances/(allowances made) for impairment losses of trade and other receivables (net)		225	(118)	NM
Other expenses		(356)	(179)	98.9%
<b>Results from operating activities</b>		<b>11,216</b>	<b>13,447</b>	-16.6%
Finance costs		(556)	(934)	-40.5%
<b>Profit before tax</b>	5	<b>10,660</b>	<b>12,513</b>	-14.8%
Tax expense	6	(1,817)	(1,346)	35.0%
<b>Profit for the period</b>		<b>8,843</b>	<b>11,167</b>	-20.8%
<b>Profit attributable to:</b>				
<b>Owners of the Company</b>		<b>8,415</b>	<b>10,888</b>	-22.7%
<b>Non-controlling interests</b>		<b>428</b>	<b>279</b>	53.4%
<b>Profit for the period</b>		<b>8,843</b>	<b>11,167</b>	
<b>Consolidated Statement of Comprehensive Income</b>				
Profit for the period		8,843	11,167	-20.8%
<b>Other comprehensive income:</b>				
Items that are or may be reclassified subsequently to profit or loss:				
Foreign currency translation differences		(4,408)	(3,319)	32.8%
<b>Other comprehensive income for the period, net of tax</b>		<b>(4,408)</b>	<b>(3,319)</b>	32.8%
<b>Total comprehensive income for the period</b>		<b>4,435</b>	<b>7,848</b>	-43.5%
<b>Total comprehensive income attributable to:</b>				
<b>Owners of the Company</b>		<b>4,384</b>	<b>7,856</b>	-44.2%
<b>Non-controlling interests</b>		<b>51</b>	<b>(8)</b>	NM
<b>Total comprehensive income for the period</b>		<b>4,435</b>	<b>7,848</b>	

### Earnings per share for profit for the period attributable to the owners of the Company during the period:

Basic and diluted earnings per ordinary share (in cents) <sup>1</sup>	5.35	6.93
---	------	------

<sup>1</sup> The diluted earnings per ordinary share is the same as the basic earnings per ordinary share as there are no dilutive instruments in issue during the period.

NM - Not Meaningful

## B. Condensed interim statements of financial position

	<i>Note</i>	The Group		The Company	
		As at 30-Jun-23 \$'000	As at 31-Dec-22 \$'000	As at 30-Jun-23 \$'000	As at 31-Dec-22 \$'000
<b>Non-current assets</b>					
Property, plant and equipment	9	86,490	87,895	14,339	13,822
Right-of-use assets		6,981	7,130	6,302	6,493
Investment in subsidiaries		-	-	28,942	28,942
Intangible assets		1,030	1,065	-	-
Deferred tax assets		3,845	3,662	1,577	1,708
Trade and other receivables		220	17	-	-
		<b>98,566</b>	<b>99,769</b>	<b>51,160</b>	<b>50,965</b>
<b>Current assets</b>					
Inventories		19,507	27,671	64	72
Trade and other receivables		76,565	97,652	5,911	5,352
Cash and cash equivalents		91,604	82,784	23,557	19,303
		<b>187,676</b>	<b>208,107</b>	<b>29,532</b>	<b>24,727</b>
<b>Current liabilities</b>					
Trade and other payables		33,719	42,831	5,876	6,351
Lease liabilities		445	409	300	296
Loans and borrowings	10	43,568	55,935	-	-
Deferred income		260	276	4	4
Current tax liabilities		991	710	-	-
		<b>78,983</b>	<b>100,161</b>	<b>6,180</b>	<b>6,651</b>
<b>Net current assets</b>		<b>108,693</b>	<b>107,946</b>	<b>23,352</b>	<b>18,076</b>
<b>Non-current liabilities</b>					
Deferred income		1,126	1,295	9	11
Lease liabilities		6,402	6,526	5,853	6,004
Deferred tax liabilities		2,846	2,904	-	-
		<b>10,374</b>	<b>10,725</b>	<b>5,862</b>	<b>6,015</b>
<b>Net assets</b>		<b>196,885</b>	<b>196,990</b>	<b>68,650</b>	<b>63,026</b>
<b>Equity attributable to owners of the Company</b>					
Share capital	12	31,440	31,440	31,440	31,440
Retained earnings		149,804	145,319	37,210	31,586
Capital reserve		3,566	3,566	-	-
Statutory reserve fund		13,669	13,669	-	-
Foreign currency translation reserve		(12,825)	(8,794)	-	-
		185,654	185,200	68,650	63,026
Non-controlling interests		11,231	11,790	-	-
<b>Total equity</b>		<b>196,885</b>	<b>196,990</b>	<b>68,650</b>	<b>63,026</b>

## C. Condensed interim statements of changes in equity

	Note	Share capital	Capital reserve	Statutory reserve fund	Hedging reserve	Foreign currency translation reserve	Retained earnings	Total	Non-controlling interests	Total Equity
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Group</b>										
<b>At 1/1/2022</b>		<b>31,440</b>	<b>3,566</b>	<b>13,607</b>	<b>-</b>	<b>3,750</b>	<b>131,000</b>	<b>183,363</b>	<b>12,645</b>	<b>196,008</b>
<b>Total comprehensive income for the period</b>										
Profit for the period		-	-	-	-	-	10,888	10,888	279	<b>11,167</b>
<b>Other comprehensive income</b>										
Foreign currency translation differences		-	-	-	-	(3,032)	-	(3,032)	(287)	<b>(3,319)</b>
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,032)</b>	<b>10,888</b>	<b>7,856</b>	<b>(8)</b>	<b>7,848</b>
<b>Transaction with owners of the Company, recognised directly in equity</b>										
<b>Distributions to owners of the Company</b>										
Dividends to owners of the Company	7	-	-	-	-	-	(3,930)	(3,930)	-	<b>(3,930)</b>
Total distributions to owners of the Company		-	-	-	-	-	<b>(3,930)</b>	<b>(3,930)</b>	-	<b>(3,930)</b>
<b>At 30/6/2022</b>		<b>31,440</b>	<b>3,566</b>	<b>13,607</b>	<b>-</b>	<b>718</b>	<b>137,958</b>	<b>187,289</b>	<b>12,637</b>	<b>199,926</b>
<b>At 1/1/2023</b>		<b>31,440</b>	<b>3,566</b>	<b>13,669</b>	<b>-</b>	<b>(8,794)</b>	<b>145,319</b>	<b>185,200</b>	<b>11,790</b>	<b>196,990</b>
<b>Total comprehensive income for the period</b>										
Profit for the period		-	-	-	-	-	8,415	8,415	428	<b>8,843</b>
<b>Other comprehensive income</b>										
Foreign currency translation differences		-	-	-	-	(4,031)	-	(4,031)	(377)	<b>(4,408)</b>
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4,031)</b>	<b>8,415</b>	<b>4,384</b>	<b>51</b>	<b>4,435</b>
<b>Transaction with owners of the Company, recognised directly in equity</b>										
<b>Distributions to owners of the Company</b>										
Dividends to owners of the Company	7	-	-	-	-	-	(3,930)	(3,930)	(610)	<b>(4,540)</b>
Total distributions to owners of the Company		-	-	-	-	-	<b>(3,930)</b>	<b>(3,930)</b>	<b>(610)</b>	<b>(4,540)</b>
<b>At 30/6/2023</b>		<b>31,440</b>	<b>3,566</b>	<b>13,669</b>	<b>-</b>	<b>(12,825)</b>	<b>149,804</b>	<b>185,654</b>	<b>11,231</b>	<b>196,885</b>

	Note	Share capital	Retained earnings	Total Equity
		\$'000	\$'000	\$'000
<b>Company</b>				
<b>At 1/1/2022</b>		<b>31,440</b>	<b>33,836</b>	<b>65,276</b>
<b>Total comprehensive income for the period</b>				
Loss for the period		-	(508)	<b>(508)</b>
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>(508)</b>	<b>(508)</b>
<b>Transactions with owners, recognised directly in equity</b>				
Dividends to owners of the Company	7	-	(3,930)	<b>(3,930)</b>
<b>Total contributions by and distributions to owners / Total transactions with owners</b>		<b>-</b>	<b>(3,930)</b>	<b>(3,930)</b>
<b>At 30/6/2022</b>		<b>31,440</b>	<b>29,398</b>	<b>60,838</b>
<b>At 1/1/2023</b>		<b>31,440</b>	<b>31,586</b>	<b>63,026</b>
<b>Total comprehensive income for the period</b>				
Profit for the period		-	9,554	<b>9,554</b>
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>9,554</b>	<b>9,554</b>
<b>Transactions with owners, recognised directly in equity</b>				
Dividends to owners of the Company	7	-	(3,930)	<b>(3,930)</b>
<b>Total contributions by and distributions to owners / Total transactions with owners</b>		<b>-</b>	<b>(3,930)</b>	<b>(3,930)</b>
<b>At 30/6/2023</b>		<b>31,440</b>	<b>37,210</b>	<b>68,650</b>

## D. Condensed interim consolidated statement of cash flows

	The Group	
	Half year ended	
	30 June	
	2023	2022
	\$'000	\$'000
<b>Cash flows from operating activities</b>		
Profit before tax	10,660	12,513
Adjustments for:		
Amortisation of deferred income	(137)	(150)
Depreciation of property, plant and equipment	5,029	5,208
Depreciation of right-of-use assets	279	304
Property, plant and equipment written off	56	52
Loss on disposal of property, plant and equipment (net)	309	153
Loss/(gain) on derecognition of right-of-use assets and lease liabilities (net)	1	(259)
(Reversal of allowances)/allowances made for impairment losses of trade and other receivables (net)	(225)	118
(Write-back)/allowances made for impairment loss for inventories (net)	(449)	117
Interest expense	491	853
Interest income	(961)	(389)
Net effect of exchange differences	128	9
	<b>15,181</b>	<b>18,529</b>
<b>Changes in:</b>		
- Inventories	8,076	3,481
- Trade and other receivables	19,132	608
- Trade and other payables	(8,334)	(3,581)
<b>Cash generated from operations</b>	<b>34,055</b>	<b>19,037</b>
Taxes paid (net)	(1,723)	(2,005)
<b>Net cash from operating activities</b>	<b>32,332</b>	<b>17,032</b>
<b>Cash flows from investing activities</b>		
Interest received	618	382
Acquisition of property, plant and equipment	(6,104)	(14,378)
Proceeds from disposal of property, plant and equipment	65	279
<b>Net cash used in investing activities</b>	<b>(5,421)</b>	<b>(13,717)</b>
<b>Cash flows from financing activities</b>		
Interest paid	(542)	(939)
Proceeds from loans and borrowings	42,660	81,442
Repayment of loans and borrowings	(53,514)	(105,047)
Payment of lease liabilities	(217)	(256)
Changes in pledged deposit	(585)	7,729
Dividend paid to non-controlling interests	(610)	-
Dividends paid	(3,930)	(3,930)
<b>Net cash used in financing activities</b>	<b>(16,738)</b>	<b>(21,001)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>10,173</b>	<b>(17,686)</b>
Cash and cash equivalents at 1 January	71,183	77,845
Effect of exchange rate fluctuations on cash held	(1,535)	(879)
<b>Cash and cash equivalents at 30 June</b>	<b>79,821</b>	<b>59,280</b>
<b>Cash and cash equivalents at end of year comprise of:-</b>		
<b>Fixed deposits</b>	<b>28,500</b>	<b>13,950</b>
<b>Cash and bank balances</b>	<b>63,104</b>	<b>53,223</b>
<b>Cash and bank balances pledged as security for bills payable</b>	<b>(11,783)</b>	<b>(7,893)</b>
	<b>79,821</b>	<b>59,280</b>

## E. Notes to the condensed interim consolidated financial statements

### 1. Corporate information

Tat Seng Packaging Group Ltd (the "Company") is incorporated and domiciled in Singapore and whose shares are publicly traded on the Mainboard of the Singapore Exchange. These condensed interim consolidated financial statements as at and for the six months ended 30 June 2023 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities"). The Group is primarily involved in the manufacturing and sales of corrugated paper products and other packaging products.

### 2. Basis of Preparation

The condensed interim financial statements for the six months ended 30 June 2023 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2022.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore dollar which is the Company's functional currency.

#### 2.1. New and amended standards adopted by the Group

A number of new standards and amendments to standards have become applicable for the current reporting period. The application of new standards and amendments to standards does not have a material effect on the condensed interim financial statements except for disclosure of the deferred tax assets and liabilities recognised in relation to *Deferred Tax related to Assets and Liabilities from a Single Transaction* – Amendments to SFRS(I) 1-12 from 1 January 2023 which will be provided in the annual financial statements.

#### 2.2. Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2022.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There is no information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements.

#### 2.3. Measurement of fair values

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

### 3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

### 4. Segment and revenue information

The Group has two reportable segments which are geographical segments namely Singapore and People's Republic of China ("PRC"). These geographical segments are managed separately because they require different marketing strategies and bear different financial and business risks.

Geographical segments are defined based on the location of the Group's assets. Sales to external customers disclosed in geographical segments are based on the geographical location of its customers. These operating businesses are organised and managed separately with each segment representing a strategic business unit that serves different markets.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly income tax and deferred tax assets and liabilities. Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.



#### 4.1. Reportable segments

	1 January 2023 to 30 June 2023			1 January 2022 to 30 June 2022		
	Singapore \$'000	PRC \$'000	Group \$'000	Singapore \$'000	PRC \$'000	Group \$'000
Revenue from external parties	24,313	102,021	126,334	27,961	147,477	175,438
Segment results	2,529	8,687	11,216	167	13,280	13,447
Finance cost	(118)	(438)	(556)	(117)	(817)	(934)
Taxation			(1,817)			(1,346)
Net profit for the period			8,843			11,167
Segment assets	77,469	204,928	282,397	66,348	250,647	316,995
Unallocated assets			3,845			3,636
Total assets			286,242			320,631
Segment liabilities	13,660	71,860	85,520	14,068	102,764	116,832
Unallocated liabilities			3,837			3,873
Total liabilities			89,357			120,705
Other segment information:						
Capital expenditure	1,420	4,850	6,270	13,345	1,890	15,235
Depreciation of property, plant and equipment	1,273	3,756	5,029	1,274	3,934	5,208
Depreciation of right-of-use assets	264	15	279	288	16	304

Please refer to Section 2 of Other information required by Listing Rule Appendix 7.2 for additional information.

#### 4.2. Disaggregation of Revenue

The Group derives revenue from the transfer of goods and services at a point in time only.

#### 5. Profit before taxation

##### 5.1. Significant items

	The Group	
	Half year ended 30 June	
	2023 \$'000	2022 \$'000
Interest income from fixed deposit and others	(961)	(389)
Interest expense	491	853
Depreciation of property, plant and equipment	5,029	5,208
Depreciation of right-of-use assets	279	304
Property, plant and equipment written off	56	52
Loss on disposal of property, plant and equipment (net)	309	153
Loss/(gain) on derecognition of right-of-use assets and lease liabilities (net)	1	(259)
Amortisation of deferred income	(137)	(150)
(Write-back)/allowances made for impairment loss for inventories (net)	(449)	117
Gain on foreign exchange (net)	(308)	(489)

## 5.2. Related party transactions

During the period, other than disclosed elsewhere in the financial statements, there were the following significant transactions with related parties:

	The Group Half year ended 30 June		The Company Half year ended 30 June	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Holding company:				
Corporate service fee	12	-	12	-
Subsidiaries:				
Services rendered	-	-	(410)	(461)
Management fee income	-	-	(250)	(246)
Recharge of centralised cost	-	-	(616)	(594)
Dividend income	-	-	10,278	-
Purchases	-	-	10,724	11,935
Related parties:				
Sales	(741)	(601)	(741)	(601)

## 6. Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	The Group Half year ended 30 June	
	2023 \$'000	2022 \$'000
Current period income tax	2,081	1,947
Over provision of tax in respect of prior years	(19)	(72)
Current period deferred tax	(203)	(534)
(Over)/under provision of deferred tax in respect of prior years	(42)	5
	<u>1,817</u>	<u>1,346</u>

## 7. Dividends

	The Group Half year ended 30 June	
	2023 \$'000	2022 \$'000
<b>Paid by the Company to owner of the Company</b>		
Final exempt (one-tier) dividend at \$0.025 (2022: \$0.025) per ordinary share in respect of the previous financial year	<u>3,930</u>	<u>3,930</u>
<b>Paid by subsidiary to NCI</b>		
Dividends in respect of the current financial year	<u>610</u>	<u>-</u>

## 8. Net Asset Value

	The Group		The Company	
	As at 30-Jun-23	As at 31-Dec-22	As at 30-Jun-23	As at 31-Dec-22
Net asset value per ordinary share based on no. of ordinary share of the Company (in cents)	<u>118.10</u>	<u>117.81</u>	<u>43.67</u>	<u>40.09</u>

## 9. Property, plant and equipment

During the six months ended 30 June 2023, the Group acquired assets amounting to S\$6,270,050 (30.06.2022: S\$15,235,075) and disposed/write off of assets with net book value amounting to S\$429,566 (30.06.2022: S\$484,394).

## 10. Loan and borrowings

	The Group		The Group	
	As at 30-Jun-23		As at 31-Dec-22	
	Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
Amount repayable in one year or less, or on demand	27,426	16,142	46,268	9,667

### 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\$2.8 million (31.12.2022: S\$27.6 million) and cash and cash equivalents amounting to S\$11.8 million (31.12.2022: S\$11.6 million).

## 11. Commitments

### Capital commitments

Capital expenditure contracted for as at the reporting date but not recognised in the financial statements are as follows:

	The Group		The Company	
	As at 30-Jun-23	As at 31-Dec-22	As at 30-Jun-23	As at 31-Dec-22
	\$'000	\$'000	\$'000	\$'000
Capital commitments in respect of purchase of property, plant and equipment	1,629	1,858	161	50

## 12. Share capital

	The Group		The Company	
	As at 30-Jun-23		As at 31-Dec-22	
	Number of shares '000	Amount \$'000	Number of shares '000	Amount \$'000
Beginning/end of the interim period	157,200	31,440	157,200	31,440

Since the end of 31 December 2022, there has been no change in the Company's share capital arising from rights issue, bonus issue, subdivision, consolidation, 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 period and as at the end of the corresponding period of the immediately preceding financial year.

There were no subsidiary holdings during or as at the end of the current financial period and as at the end of the corresponding period of the immediate preceding financial year.

## 13. Subsequent events

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

## **Other Information Required by Listing Rule Appendix 7.2**

## OTHER INFORMATION

### 1. Review

The condensed consolidated statement of financial position of Tat Seng Packaging Group Ltd and its subsidiaries as at 30 June 2023 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-months period then ended and certain explanatory notes have not been audited or reviewed.

### 2. Review of performance of the Group

#### 2a. Condensed interim consolidated statement of profit or loss and other comprehensive income

The Group recorded revenue of S\$126.3 million in first six months of 2023 ("1H2023"), a decrease of 28% or S\$49.1 million over the same period in 2022 ("1H2022").

Total revenue of Singapore operations in 1H 2023 decreased by 13% or S\$3.6 million from S\$27.9 million in 1H2022 primarily due to decline in market demand with total sales volume (sqm) reduced by 17.5%. However, this was partially offset by increase in selling price.

Total revenue of China's operations decreased by 30.8% or S\$45.5 million from S\$147.5 million in the Group's reporting currency in 1H2023 as compared to 1H2022. The decrease was mainly due to competitive selling price and the reduction of total sales volume (sqm) by 8.2%. In addition, the decrease was partially attributable to the weakening of Renminbi ("RMB") against Singapore Dollars ("SGD") by 6.3%.

Distribution and selling expenses decreased by 15.5% or S\$1.5 million mainly due to the reduction of carriage outward in 1H2023 as compared to 1H2022. The decrease was partly due to reduction of staff cost and provision of staff bonus.

General and administrative expenses decreased by 20.5% or S\$1.9 million mainly due to the reduction on provision of staff bonus in 1H2023 as compared to 1H2022 and the reversal of excess provision of staff bonus in respect of prior year. In addition, the decrease was partially attributed to reduction of staff cost.

Tax expense increased by 35% or S\$0.5 million mainly due to the payment of withholding tax in related to dividend received from China subsidiary in 1H2023 as compared to 1H2022.

As a result, the net profit attributable to owners of the Company decreased by 22.7% to S\$8.4 million in 1H2023 as compared to 1H2022.

#### 2b. Statement of financial position

Inventories decreased by S\$8.2 million mainly due to reduction of inventory level and partly due to reduction in raw material price during the period.

Current trade and other receivables decreased by S\$21.1 million mainly due to lower trade receivables that arise from the reduction in revenue during the period and reduction of term bills receivables (with 6 months' maturity date) that received from customers.

Trade and other payables decreased by S\$9.1 million mainly due to lower trade payables that arise from the reduction in revenue during the period and partly due to reduction of provision for bonus.

Loans and borrowings decreased by S\$12.4 million mainly due to net repayment of loans and borrowings during the period.

Foreign currency translation reserve decreased by S\$4.0 million due to weakening of RMB against SGD.

#### 2c. Condensed interim consolidated statement of cash flows

The net cash from operating activities of S\$32.3 million was mainly due to net increase in working capital and operating profit.

The net cash used in investing activities of S\$5.4 million was mainly due to acquisition of property, plant and equipment.

The net cash used in financing activities of S\$16.7 million was mainly due to net repayment of loans and borrowings and partly attributed to payment of dividends.

As a result of the above activities and couple with unfavourable effect of exchange rate fluctuations on cash held by China subsidiaries, the Group's cash and cash equivalents excluding bank balances pledged as security increased by S\$8.6 million to S\$79.8 million as compared to 31 December 2022.

**3. 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.

**4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next operating period and the next 12 months**

Despite COVID-19 becoming endemic, the Group's business environment remains challenging with factors such as economic slowdown, weak consumption, and soaring inflationary pressure.

The Group will continue to focus on our business strategies of strengthening our core expertise through improving productivity and implementing appropriate cost control measures with the aim of improving overall margins and profitability. The Group will continue to keep up with the market trend and diversify the Group's revenue stream from both existing and potential customers to enhance the long-term growth potential of the Group and its shareholder's value.

**5. Dividend information****5a. Current Financial Period Reported On**

Any dividend recommended for the current financial period reported on?

Yes

Name of Dividend :	Interim Ordinary
Dividend Type :	Cash; Tax exempt (1-tier) dividend
Dividend Amount Per Share :	S\$0.025 per ordinary share
Tax Rate :	Exempt (1-tier)

**5b. 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
Dividend Type :	Cash; Tax exempt (1-tier) dividend
Dividend Amount Per Share :	S\$0.015 per ordinary share
Tax Rate :	Exempt (1-tier)
Date Paid	Paid on 27/9/2022

**5c. Date Payable**

29 September 2023

**5d. Record Date**

15 September 2023

**6. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.**

Not applicable

**7. 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 Group has not obtained a general mandate from shareholders of the Company for Interested Person Transactions. The aggregate value of the interested person transactions conducted during the six-month period ended 30 June 2023 is disclosed below.

Name of Interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
Tee Yih Jia Food Manufacturing Pte Ltd	Associate of Director of the Company	\$676,444	Nil

**8. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)**

The Company has received undertaking from all its directors and executive officers in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST.

**9. 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.

#### **10. Disclosure pursuant to Rule 706A of the Listing Manual**

There were no changes to the Company's and the Group's shareholding percentage in its respective subsidiaries or associated companies nor incorporation of any new subsidiary or associate by the Company or any of the Group's entities.

#### **Confirmation by the Board**

On behalf of the Board of Directors of the Company, I, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the six-months period ended 30 June 2023 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Loh See Moon  
Managing Director  
11 August 2023