



TAT SENG PACKAGING GROUP LTD

達 成 包 裝 集 團

Company Registration No.: 197702806M

**CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS AND FULL YEAR ENDED
31 DECEMBER 2023**

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

	Note	The Group			The Group		
		6 months ended		Change	12 months ended		Change
		31 December			31 December		
2023	2022		2023	2022			
		\$'000	\$'000	%	\$'000	\$'000	%
Revenue	4	132,534	160,826	-17.6%	258,868	336,264	-23.0%
Cost of sales		(100,370)	(132,602)	-24.3%	(201,759)	(277,326)	-27.2%
Gross profit		32,164	28,224	14.0%	57,109	58,938	-3.1%
Other income		854	1,244	-31.4%	1,677	2,631	-36.3%
Distribution and selling expenses		(8,739)	(9,231)	-5.3%	(16,830)	(18,801)	-10.5%
General and administrative expenses		(9,153)	(8,530)	7.3%	(16,444)	(17,706)	-7.1%
Allowances made of allowances for impairment losses of trade and other receivables (net)		(284)	(98)	189.8%	(59)	(216)	-72.7%
Other expenses		(322)	(177)	81.9%	(678)	(356)	90.4%
Results from operating activities		14,520	11,432	27.0%	24,775	24,490	1.2%
Finance income		1,441	530	171.9%	2,402	919	161.4%
Finance costs		(644)	(676)	-4.7%	(1,200)	(1,610)	-25.5%
Net finance income/(costs)		797	(146)	NM	1,202	(691)	NM
Profit before tax	5	15,317	11,286	35.7%	25,977	23,799	9.2%
Tax expense	6	(4,187)	(1,277)	227.9%	(6,004)	(2,623)	128.9%
Profit for the period/year		11,130	10,009	11.2%	19,973	21,176	-5.7%
Profit attributable to:							
Owners of the Company		10,429	9,780	6.6%	18,844	20,668	-8.8%
Non-controlling interests		701	229	206.1%	1,129	508	122.2%
Profit for the period/year		11,130	10,009		19,973	21,176	
Consolidated Statement of Comprehensive Income							
Profit for the period/year		11,130	10,009	11.2%	19,973	21,176	-5.7%
Other comprehensive income:							
Items that are or may be reclassified subsequently to profit or loss:							
Foreign currency translation differences		(766)	(10,368)	-92.6%	(5,174)	(13,687)	-62.2%
Total other comprehensive income for the period/year, net of tax		(766)	(10,368)	-92.6%	(5,174)	(13,687)	-62.2%
Total comprehensive income for the period/year		10,364	(359)	-2986.9%	14,799	7,489	97.6%
Total comprehensive income attributable to:							
Owners of the Company		9,731	268	3531.0%	14,115	8,124	73.7%
Non-controlling interests		633	(627)	NM	684	(635)	NM
Total comprehensive income for the period/year		10,364	(359)		14,799	7,489	
Earnings per share for profit for the period/year attributable to the owners of the Company during the period/year:							
Basic and diluted earnings per ordinary share (in cents) ¹		6.63	6.22		11.99	13.15	

¹ 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/year.

NM - Not Meaningful

B. Condensed interim statements of financial position

	Note	The Group		The Company	
		As at	As at	As at	As at
		31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
		\$'000	\$'000	\$'000	\$'000
Non-current assets					
Property, plant and equipment	9	86,124	87,895	14,027	13,822
Right-of-use assets		6,931	7,130	6,292	6,493
Investment in subsidiaries		-	-	29,321	28,942
Intangible assets		1,024	1,065	-	-
Deferred tax assets		2,981	3,662	982	1,708
Other financial assets	10	16,162	-	-	-
Trade and other receivables		205	17	-	-
		113,427	99,769	50,622	50,965
Current assets					
Inventories		21,245	27,671	63	72
Trade and other receivables		82,978	97,652	10,594	5,352
Cash and cash equivalents		104,240	82,784	50,777	19,303
		208,463	208,107	61,434	24,727
Current liabilities					
Trade and other payables		37,467	42,831	7,125	6,351
Lease liabilities		453	409	305	296
Loans and borrowings	11	68,890	55,935	-	-
Deferred income		270	276	17	4
Current tax liabilities		814	710	-	-
		107,894	100,161	7,447	6,651
Net current assets		100,569	107,946	53,987	18,076
Non-current liabilities					
Deferred income		1,193	1,295	207	11
Lease liabilities		6,382	6,526	5,881	6,004
Deferred tax liabilities		3,604	2,904	-	-
		11,179	10,725	6,088	6,015
Net assets		202,817	196,990	98,521	63,026
Equity attributable to owners of the Company					
Share capital	13	31,440	31,440	31,440	31,440
Retained earnings		156,307	145,319	67,081	31,586
Capital reserve		3,566	3,566	-	-
Statutory reserve fund		13,665	13,669	-	-
Foreign currency translation reserve		(13,523)	(8,794)	-	-
		191,455	185,200	98,521	63,026
Non-controlling interests		11,362	11,790	-	-
Total equity		202,817	196,990	98,521	63,026

C. Condensed interim statements of changes in equity

	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
Group									
At 1/1/2022	31,440	3,566	13,607	-	3,750	131,000	183,363	12,645	196,008
Total comprehensive income for the year									
Profit for the year	-	-	-	-	-	20,668	20,668	508	21,176
Other comprehensive income									
Foreign currency translation differences	-	-	-	-	(12,544)	-	(12,544)	(1,143)	(13,687)
Total comprehensive income for the year	-	-	-	-	(12,544)	20,668	8,124	(635)	7,489
Transaction with owners of the Company, recognised directly in equity									
Distributions to owners of the Company									
Unclaimed dividend reversed	-	-	-	-	-	1	1	-	1
Dividends to owners of the Company	-	-	-	-	-	(6,288)	(6,288)	(220)	(6,508)
Total distributions to owners of the Company	-	-	-	-	-	(6,287)	(6,287)	(220)	(6,507)
Transfer between reserves									
Appropriation of retained earnings to statutory reserve fund	-	-	62	-	-	(62)	-	-	-
At 31/12/2022	31,440	3,566	13,669	-	(8,794)	145,319	185,200	11,790	196,990
At 1/1/2023	31,440	3,566	13,669	-	(8,794)	145,319	185,200	11,790	196,990
Total comprehensive income for the year									
Profit for the year	-	-	-	-	-	18,844	18,844	1,129	19,973
Other comprehensive income									
Foreign currency translation differences	-	-	-	-	(4,729)	-	(4,729)	(445)	(5,174)
Total comprehensive income for the year	-	-	-	-	(4,729)	18,844	14,115	684	14,799
Transaction with owners of the Company, recognised directly in equity									
Distributions to owners of the Company									
Dividends to owners of the Company	-	-	-	-	-	(7,860)	(7,860)	(1,112)	(8,972)
Total distributions to owners of the Company	-	-	-	-	-	(7,860)	(7,860)	(1,112)	(8,972)
Transfer between reserves									
Appropriation of retained earnings to statutory reserve fund	-	-	(4)	-	-	4	-	-	-
At 31/12/2023	31,440	3,566	13,665	-	(13,523)	156,307	191,455	11,362	202,817

	Share capital	Retained earnings	Total Equity
	\$'000	\$'000	\$'000
Company			
At 1/1/2022	31,440	33,836	65,276
Total comprehensive income for the year			
Profit for the year	-	4,037	4,037
Total comprehensive income for the year	-	4,037	4,037
Transactions with owners, recognised directly in equity			
Unclaimed dividend reversed	-	1	1
Dividends to owners of the Company	-	(6,288)	(6,288)
Total contributions by and distributions to owners/Total transactions with owners	-	(6,287)	(6,287)
At 31/12/2022	31,440	31,586	63,026
At 1/1/2023	31,440	31,586	63,026
Total comprehensive income for the year			
Profit for the year	-	43,355	43,355
Total comprehensive income for the year	-	43,355	43,355
Transactions with owners, recognised directly in equity			
Dividends to owners of the Company	-	(7,860)	(7,860)
Total contributions by and distributions to owners/Total transactions with owners	-	(7,860)	(7,860)
At 31/12/2023	31,440	67,081	98,521

D. Condensed interim consolidated statement of cash flows

	The Group	
	12 months ended	
	31 December	
	2023	2022
	\$'000	\$'000
Cash flows from operating activities		
Profit before tax	25,977	23,799
Adjustments for:		
Amortisation of deferred income	(275)	(292)
Depreciation of property, plant and equipment	9,907	10,435
Depreciation of right-of-use assets	561	573
Property, plant and equipment written off	195	138
Loss on disposal of property, plant and equipment (net)	408	137
Loss/(gain) on derecognition of right-of-use assets and lease liabilities (net)	1	(262)
Allowances made for impairment losses of trade and other receivables (net)	59	216
(Write-back)/allowances made for impairment loss for inventories (net)	(748)	686
Interest expense	1,072	1,458
Interest income	(2,402)	(919)
Net effect of exchange differences	(528)	(279)
	34,227	35,690
Changes in:		
- Inventories	6,381	11,629
- Trade and other receivables	11,671	6,001
- Trade and other payables	(4,200)	(6,407)
Cash generated from operations	48,079	46,913
Taxes paid (net)	(4,291)	(3,677)
Net cash from operating activities	43,788	43,236
Cash flows from investing activities		
Acquisition of other financial assets	(15,811)	-
Interest received	1,664	854
Acquisition of property, plant and equipment	(11,361)	(19,641)
Proceeds from disposal of property, plant and equipment	178	296
Net cash used in investing activities	(25,330)	(18,491)
Cash flows from financing activities		
Interest paid	(1,125)	(1,627)
Proceeds from loans and borrowings	102,827	126,965
Repayment of loans and borrowings	(87,417)	(148,801)
Payment of lease liabilities	(462)	(494)
Decrease in pledged deposit	1,520	3,015
Dividends paid to non-controlling interests	(1,112)	(220)
Dividends paid	(7,860)	(6,287)
Net cash from/(used in) financing activities	6,371	(27,449)
Net increase/(decrease) in cash and cash equivalents	24,829	(2,704)
Cash and cash equivalents at 1 January	71,183	77,845
Effect of exchange rate fluctuations on cash held	(1,441)	(3,958)
Cash and cash equivalents at 31 Dec	94,571	71,183
Cash and cash equivalents in the statement of cash flows at end of year comprise of:-		
Fixed deposits	56,500	21,450
Cash and bank balances	47,740	61,334
Cash and cash equivalents in the statement of financial position	104,240	82,784
Cash and bank balances pledged as security for bills payable	(9,669)	(11,601)
Cash and cash equivalents in the statement of cash flows	94,571	71,183

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 and year ended 31 December 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 six months and year ended 31 December 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 interim financial statements for the period ended 30 June 2023.

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 amendments to Standards have become applicable for the current reporting period/year. The application of new standards and amendments to standards does not have a material effect on the condensed interim financial statement.

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.

Information about assumptions and judgement that have a significant risk of resulting in a material adjustment within the next financial year are included in note 9 - impairment on property, plant and equipment.

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 year.

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.

All operating segments' operating results are reviewed regularly by the Managing Director/CEO to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

4.1. Reportable segments

For the six months period

	1 July 2023 to 31 December 2023			1 July 2022 to 31 December 2022		
	Singapore \$'000	PRC \$'000	Group \$'000	Singapore \$'000	PRC \$'000	Group \$'000
Revenue from external parties	22,975	109,559	132,534	26,660	134,166	160,826
Segment results	1,887	12,633	14,520	922	10,510	11,432
Finance income	874	567	1,441	189	341	530
Finance cost	(118)	(526)	(644)	(107)	(569)	(676)
Net Finance cost	756	41	797	82	(228)	(146)
Taxation			(4,187)			(1,277)
Net profit for the period			11,130			10,009
Segment assets	102,837	216,072	318,909	70,951	233,263	304,214
Unallocated assets			2,981			3,662
Total assets			321,890			307,876
Segment liabilities	15,786	98,869	114,655	15,386	91,886	107,272
Unallocated liabilities			4,418			3,614
Total liabilities			119,073			110,886
Other segment information:						
Capital expenditure	1,341	3,849	5,190	505	3,667	4,172
Depreciation of property, plant and equipment	1,325	3,553	4,878	1,237	3,990	5,227
Depreciation of right-of-use assets	268	14	282	254	15	269

For the year

	1 January 2023 to 31 December 2023			1 January 2022 to 31 December 2022		
	Singapore \$'000	PRC \$'000	Group \$'000	Singapore \$'000	PRC \$'000	Group \$'000
Revenue from external parties	47,288	211,580	258,868	54,621	281,643	336,264
Segment results	3,923	20,852	24,775	1,060	23,430	24,490
Finance income	1,367	1,035	2,402	218	701	919
Finance cost	(236)	(964)	(1,200)	(224)	(1,386)	(1,610)
Net Finance cost	1,131	71	1,202	(6)	(685)	(691)
Taxation			(6,004)			(2,623)
Net profit for the year			19,973			21,176
Segment assets	102,837	216,072	318,909	70,951	233,263	304,214
Unallocated assets			2,981			3,662
Total assets			321,890			307,876
Segment liabilities	15,786	98,869	114,655	15,386	91,886	107,272
Unallocated liabilities			4,418			3,614
Total liabilities			119,073			110,886
Other segment information:						
Capital expenditure	2,761	8,699	11,460	13,850	5,557	19,407
Depreciation of property, plant and equipment	2,598	7,309	9,907	2,511	7,924	10,435
Depreciation of right-of-use assets	532	29	561	542	31	573

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				
	6 months ended		12 months ended		
	31 December		31 December		
	2023	2022	2023	2022	
	\$'000	\$'000	\$'000	\$'000	
Interest income from fixed deposit and others		(1,441)	(530)	(2,402)	(919)
Interest expense		581	605	1,072	1,458
Depreciation of property, plant and equipment		4,878	5,227	9,907	10,435
Depreciation of right-of-use assets		282	269	561	573
Property, plant and equipment written off		139	86	195	138
Loss/(gain) on disposal of property, plant and equipment (net)		99	(16)	408	137
Loss/(gain) on derecognition of right-of-use assets and lease liabilities (net)		-	(3)	1	(262)
Amortisation of deferred income		(138)	(142)	(275)	(292)
(Write-back)/allowances made for impairment loss for inventories (net)		(299)	569	(748)	686
Loss/(gain) on foreign exchange (net)		91	(380)	(217)	(869)

5.2. Related party transactions

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

	The Group 6 months ended 31 December		The Company 6 months ended 31 December		The Group 12 months ended 31 December		The Company 12 months ended 31 December	
	2023	2022	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Holding company:								
Corporate service fee	12	8	12	8	24	8	24	8
Subsidiaries:								
Services rendered	-	-	(333)	(445)	-	-	(743)	(906)
Management fee income	-	-	(252)	(250)	-	-	(502)	(496)
Recharge of centralised cost	-	-	(771)	(595)	-	-	(1,387)	(1,189)
Dividend income	-	-	(35,900)	(4,889)	-	-	(46,178)	(4,889)
Rental expenses	-	-	2	3	-	-	5	7
Purchases	-	-	10,408	11,484	-	-	21,132	23,419
Related parties:								
Sales	(914)	(819)	(914)	(819)	(1,655)	(1,420)	(1,655)	(1,420)

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			
	6 months ended 31 December		12 months ended 31 December	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Current period/year income tax	2,520	1,370	4,601	3,317
Under/(over) provision of tax in respect of prior period/years	58	(18)	39	(90)
Current period/year deferred tax	1,688	(131)	1,485	(665)
(Over)/under provision of deferred tax in respect of prior period/years	(79)	56	(121)	61
	4,187	1,277	6,004	2,623

7. Dividends

	The Group 12 months ended 31 December	
	2023	2022
	\$'000	\$'000
Paid by the Company to owner of the Company		
Final exempt (one-tier) dividend at \$0.025 (2022: \$0.025) per ordinary share in respect of the previous financial year	3,930	3,930
Interim exempt (one-tier) dividend at \$0.025 (2022: \$0.015) per ordinary share in respect of the current financial year	3,930	2,358
	7,860	6,288
Paid by subsidiary to NCI		
Dividends in respect of the current financial year	1,112	220

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

	The Group 12 months ended 31 December	
	2023	2022
	\$'000	\$'000
Interim cash dividend	3,930	2,358
Final cash dividend	3,144*	3,930
Total annual dividend	7,074	6,288

*To be approved by shareholders at the forthcoming AGM

8. Net Asset Value

	The Group		The Company	
	As at 31-Dec-23	As at 31-Dec-22	As at 31-Dec-23	As at 31-Dec-22
	Net asset value per ordinary share based on no. of ordinary share of the Company (in cents)	121.79	117.81	62.67

9. Property, plant and equipment

During the six months ended 31 December 2023, the Group acquired assets amounting to S\$5,189,997 (2022: S\$4,172,204) and disposed/write off of assets with net book value amounting to S\$351,786 (2022: S\$86,841).

During the year ended 31 December 2023, the Group acquired assets amounting to S\$11,460,047 (2022: S\$19,407,279) and disposed/write off of assets with net book value amounting to S\$781,352 (2022: S\$571,235).

Measurement of recoverable amounts of property, plant and equipment

The Group performed impairment assessment on the property, plant and equipment as at each reporting date to determine whether there are indicators of impairment. The determination of recoverable amounts involves judgement and is subject to estimation uncertainties. The recoverable amount of each CGU is determined based on greater of value-in-use method and fair value less costs to sell method. As at 31 December 2023, the recoverable amount for these CGUs were assessed to be in excess of the respective carrying amounts, no impairment was determined.

10. Other financial assets

The Group
12 months ended
31 December
2023 **2022**
\$'000 **\$'000**

Other long term financial assets
Time deposits - at amortised cost

16,162 -

11. Loans and borrowings

The Group		The Group	
As at 31-Dec-23		As at 31-Dec-22	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000

Amount repayable in one year or less, or on demand

47,865	21,025	46,268	9,667
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Details of any collateral

The Group's loans and borrowings are secured by certain leasehold land and buildings with net book value of approximately S\$8.6 million (31.12.2022: S\$27.6 million) and cash and cash equivalents amounting to S\$9.7 million (31.12.2022: S\$11.6 million).

12. 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	As at	As at	As at
31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
\$'000	\$'000	\$'000	\$'000

Capital commitments in respect of purchase of property, plant and equipment

1,918	1,858	-	50
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13. Share capital

The Group		The Company	
As at 31-Dec-23		As at 31-Dec-22	
Number of	Amount	Number of	Amount
shares	\$'000	shares	\$'000
'000	\$'000	'000	\$'000

Beginning/end of the year

157,200	31,440	157,200	31,440
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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 year and previous financial year.

There were no subsidiary holdings during or as at the end of the current financial year and as at the previous financial year.

14. 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 31 December 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 and year 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

FY 2023 VS FY 2022

The Group registered revenue of S\$258.9 million in FY2023, a decrease of 23.0% or S\$77.4 million as compared to S\$336.2 million in FY2022.

Total revenue achieved by the Singapore operations in FY2023 decreased by 13.4% or S\$7.3 million from S\$54.6 million in FY2022. The decrease was mainly due to decline in market demand with total sales volume (sqm) reduced by 15.9%.

Total revenue of China's operations decreased by 24.9% or S\$70.1 million from S\$281.6 million in the Group's reporting currency in FY2023 as compared to FY2022. The decrease was mainly due to competitive selling price. In addition, the decrease was partially attributable to the weakening of Renminbi ("RMB") against Singapore Dollars ("SGD") by 7.4% and the reduction of total sales volume (sqm) by 2.9%.

Other income decreased by 36.3% or S\$1.0 million mainly due to reduction of foreign exchange gain and gain on derecognition of right-of-use assets and lease liabilities in FY2023 as compared to FY2022.

Distribution and selling expenses decreased by 10.5% or S\$2.0 million mainly due to the reduction of carriage outward and staff cost in FY2023 as compared to FY2022.

General and administrative expenses decreased by 7.1% or S\$1.3 million mainly due to the reversal of excess provision of staff bonus in respect of prior year and reduction of staff cost in FY2023 as compared to FY2022.

Finance income increased by 161.4% or S\$1.5 million due to increase of interest income derived from fixed deposits and time deposits in FY2023 as compared to FY2022.

Finance cost decreased by 25.5% or S\$0.4 million mainly due to a lower interest rate on borrowings in FY2023 as compared to FY2022.

Tax expense increased by 128.9% or S\$3.4 million mainly due to the increase of deferred tax and payment of withholding tax in related to dividend received from China subsidiary in FY2023 as compared to FY2022.

As a result, the net profit attributable to owners of the Company decreased by 8.8% or S\$1.8 million in FY2023 as compared to FY2022.

2H 2023 VS 2H 2022

The Group generated revenue of S\$132.5 million in 2H2023, a decrease of 17.6% or S\$28.3 million as compared to S\$160.8 million in 2H2022.

Total revenue of Singapore operations in 2H2023 decreased by 13.8% or S\$3.7 million from S\$26.7 million in 2H2022. The decrease was mainly due to decline in market demand with total sales volume (sqm) of Singapore's operations reduced by 14.3%.

Despite the total sales volume (sqm) increased by 2.2%, total revenue of China's operations decreased by 18.3% or S\$24.6 million in the Group's reporting currency in 2H2023 as compared to 2H2022. The decrease was mainly due to competitive selling price and partially attributed from weakening of Renminbi ("RMB") against Singapore Dollars ("SGD").

The Group's gross profit increased by 14.0% or S\$3.9 million to S\$32.2 million in 2H2023 as compared to 2H2022 was mainly due to reduction of staff cost and partly due to decrease of electricity cost with the installation of solar panel.

Other income decreased by 31.4% or S\$0.4 million mainly due to reduction of foreign exchange gain in 2H2023 as compared to 2H2022.

Distribution and selling expenses decreased by 5.3% or S\$0.5 million mainly due to reduction of carriage outward and staff cost in 2H2023 as compared to 2H2022.

General and administrative expenses increased by 7.3% or S\$0.6 million mainly due to higher provision for profit sharing bonus as a result of higher profit before tax achieved for 2H2023 as compared to 2H2022.

Finance income increased by 171.9% or S\$0.9 million due to increase of interest income derived from fixed deposits and time deposits in 2H2023 as compared to 2H2022.

Tax expense increased by S\$2.9 million mainly due to the increase of deferred tax and payment of withholding tax in related to dividend received from China subsidiary in 2H2023 as compared to 2H2022.

As a result, the net profit attributable to owners of the Company increased by S\$0.6 million or 6.6% in 2H2023 as compared to 2H2022.

2b. Statement of financial position

Property, plant and equipment decreased by S\$1.8 million mainly due to depreciation charged and the weakening of RMB against SGD while partially offset by addition during the year.

Other financial assets increased by S\$16.2 million due to placement of time deposits with reputable financial institutions during the year.

Inventories decreased by S\$6.4 million mainly due to reduction of inventory level and drop in raw material price as at year end. The decrease was partially attributed to the weakening of RMB against SGD.

Current trade and other receivables decreased by S\$14.7 million mainly due to lower trade receivables that arise from the reduction in revenue during the year and partly attributed to the weakening of RMB against SGD.

Trade and other payables decreased by S\$5.4 million mainly due to lower trade payables that arise from the reduction in purchase during the year. The decrease was partly due to reduction of provision for social and pension fund contribution and the weakening of RMB against SGD as compared to FY2022.

The increase in loans and borrowings by S\$13.0 million was mainly attributed to higher borrowing from China's subsidiaries for payment of dividend to the Company and the acquisition of property, plant and equipment.

Foreign currency translation reserve decreased by S\$4.7 million due to weakening of RMB against SGD.

2c. Condensed interim consolidated statement of cash flows

The net cash from operating activities of S\$43.8 million was mainly due to operating profit and net increase in working capital.

The net cash used in investing activities of S\$25.3 million was mainly due to acquisition of other financial assets and property, plant and equipment.

The net cash from financing activities of S\$6.4 million was mainly due to net proceeds from loans and borrowings while partially offset by payment of dividends during the year.

As a result of the above activities and couple with unfavourable effect of exchange rate fluctuations on cash held by China subsidiaries, the Group cash and cash equivalents excluding bank balances pledged as security increased by S\$23.4 million to S\$94.6 million.

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

The ongoing geopolitical tensions, inflation and volatility in raw material prices will continue to influence the business environment of both Singapore and China segments. The China market, in particular, is very competitive due to significant excess capacity resulting in serious price competition.

The Group is constantly seeking ways to enhance our operational efficiency and to strengthen our core competencies. The Group will continue to adopt prudent financial management and explore suitable business opportunities to drive our business growth.

5. Dividend information**5a. Current Financial Year 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\$0.025 per ordinary share	S\$0.020 per ordinary share
Tax Rate :	Exempt (1-tier)	Exempt (1-tier)
Date Paid	Paid on 29/9/2023	To be approved by shareholders at the forthcoming AGM

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	Final
Dividend Type :	Cash; Tax exempt (1-tier) dividend	Cash; Tax exempt (1-tier) dividend
Dividend Amount Per Share :	S\$0.015 per ordinary share	S\$0.025 per ordinary share
Tax Rate :	Exempt (1-tier)	Exempt (1-tier)
Date Paid	Paid on 27/9/2022	Paid on 26/5/2023

5c. Date Payable 24 May 2024

5d. Record Date 10 May 2024

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 year 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	\$1,515,096	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.

On behalf of the Board of Directors

Loh See Moon
Managing Director/CEO
28 February 2024