

Financial Statements For The Year Ended 31 December 2017
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

	The Group		Change %
	Year ended 31-Dec-17 \$'000	Year ended 31-Dec-16 \$'000	
Revenue	302,963	228,527	32.6%
Cost of sales	(241,513)	(176,784)	36.6%
Gross profit	61,450	51,743	18.8%
Other income	1,131	1,198	-5.6%
Distribution and selling expenses	(14,522)	(13,493)	7.6%
General and administrative expenses	(18,496)	(16,726)	10.6%
Other expenses	(830)	(231)	259.3%
Finance costs	(1,257)	(1,036)	21.3%
Profit before tax	27,476	21,455	28.1%
Tax expense	(4,827)	(5,481)	-11.9%
Profit for the year	22,649	15,974	41.8%
Profit attributable to:			
Owners of the Company	20,349	14,515	40.2%
Non-controlling interests	2,300	1,459	57.6%
Profit for the year	22,649	15,974	
Consolidated Statement of Comprehensive Income			
Profit for the year	22,649	15,974	41.8%
Other comprehensive income:			
Items that are or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences	(1,571)	(4,145)	-62.1%
Effective portion of changes in fair value of cash flow hedges	(29)	(4)	625.0%
Other comprehensive income for the year, net of tax	(1,600)	(4,149)	-61.4%
Total comprehensive income for the year	21,049	11,825	78.0%
Total comprehensive income attributable to:			
Owners of the Company	18,861	10,639	77.3%
Non-controlling interests	2,188	1,186	84.5%
Total comprehensive income for the year	21,049	11,825	
Note on profit before tax			
Profit before tax is determined after charging/(crediting) the following:			
Interest income from fixed deposit and others	(286)	(249)	
Interest expense on loans and borrowings	1,092	922	
Depreciation of property, plant and equipment	6,452	6,315	
Impairment loss on property, plant and equipment	195	-	
Property, plant and equipment written off	18	15	
Loss on disposal of property, plant and equipment (net)	36	11	
Amortisation of intangible assets	3	3	
Reversal of doubtful receivables (net)	(63)	(214)	
Allowances made for impairment loss for inventories	716	45	
Loss/(Gain) on foreign exchange (net)	361	(148)	
Taxation			
Current year income tax	6,609	5,288	
(Over)/under provision of tax in respect of prior years	(1,496)	125	
Current year deferred tax	(380)	(35)	
Under provision of deferred tax in respect of prior years	40	103	
Changes in tax rates	54	-	
	4,827	5,481	

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

	The Group		The Company	
	As at 31-Dec-17 \$'000	As at 31-Dec-16 \$'000	As at 31-Dec-17 \$'000	As at 31-Dec-16 \$'000
Non-current assets				
Property, plant and equipment	65,935	57,285	2,607	2,996
Investment in subsidiaries	-	-	28,037	28,186
Intangible assets	1,141	1,163	15	18
Deferred tax assets	1,735	1,461	2,145	1,705
	68,811	59,909	32,804	32,905
Current assets				
Inventories	25,853	19,091	120	62
Trade and other receivables	133,130	98,943	4,889	3,545
Cash and cash equivalents	40,022	45,448	4,500	6,104
	199,005	163,482	9,509	9,711
Current liabilities				
Trade and other payables	77,817	71,628	6,019	6,974
Loans and borrowings	61,224	35,798	16	16
Deferred income	137	119	-	-
Current tax payable	1,225	1,888	-	-
	140,403	109,433	6,035	6,990
Net current assets	58,602	54,049	3,474	2,721
Non-current liabilities				
Deferred income	1,217	1,176	-	-
Loans and borrowings	221	1,340	13	29
	1,438	2,516	13	29
Net assets	125,975	111,442	36,265	35,597
Equity attributable to owners of the Company				
Share capital	31,440	31,440	31,440	31,440
Retained earnings	70,401	59,192	4,825	4,157
Capital reserve	3,566	3,566	-	-
Statutory reserve fund	10,539	7,687	-	-
Hedging reserve	(27)	2	-	-
Foreign currency translation reserve	1,187	2,646	-	-
	117,106	104,533	36,265	35,597
Non-controlling interests	8,869	6,909	-	-
Total equity	125,975	111,442	36,265	35,597

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

	As at 31/12/2017		As at 31/12/2016	
	Secured	Unsecured	Secured	Unsecured
Amount repayable in one year or less, or on demand	46,868	14,356	28,639	7,159
Amount repayable after one year	13	208	265	1,075

Details of any collateral

The Group's loans and borrowings are secured by leasehold land, certain leasehold building, certain plant and machinery and certain motor vehicle with net book value of approximately S\$23.5 million (2016: S\$23.7 million) and cash and cash equivalents amounted S\$12.9 million (2016: S\$4.5 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

	The Group	
	Year ended 31-Dec-17	Year ended 31-Dec-16
	\$'000	\$'000
Cash flows from operating activities		
Profit before tax	27,476	21,455
Adjustments for:		
Amortisation of deferred income	(144)	(120)
Depreciation of property, plant and equipment	6,452	6,315
Impairment loss on property, plant and equipment	195	-
Property, plant and equipment written off	18	15
Net loss on disposal of property, plant and equipment	36	11
Amortisation of intangible assets	3	3
Reversal of doubtful trade receivables (net)	(63)	(214)
Allowances made for impairment loss for inventories	716	45
Interest expense	1,092	922
Interest income	(286)	(249)
Net effect of exchange differences	(19)	(144)
	35,476	28,039
Changes in:		
- Inventories	(7,739)	(4,029)
- Trade and other receivables	(36,606)	(5,711)
- Trade and other payables	8,615	5,928
Cash generated from operations	(254)	24,227
Interest paid	(1,093)	(995)
Taxes paid (net)	(5,743)	(4,422)
Net cash (used in)/from operating activities	(7,090)	18,810
Cash flows from investing activities		
Interest received	286	250
Acquisition of property, plant and equipment	(16,723)	(9,183)
Proceeds from disposal of property, plant and equipment	377	46
Net cash used in investing activities	(16,060)	(8,887)
Cash flows from financing activities		
Proceeds from loans and borrowings	92,507	57,621
Repayment of loans and borrowings	(67,641)	(52,984)
Increase in pledged deposit	(8,450)	(736)
Dividends paid	(6,288)	(4,716)
Dividend paid to non-controlling interests	(228)	(430)
Net cash from/(used in) financing activities	9,900	(1,245)
Net (decrease)/increase in cash and cash equivalents	(13,250)	8,678
Cash and cash equivalents at 1 January	40,947	33,419
Effect of exchange rate fluctuations on cash held	(568)	(1,150)
Cash and cash equivalents at 31 December	27,129	40,947
Cash and cash equivalents at end of year comprise of:-		
Fixed deposits	-	4,000
Cash and bank balances	40,022	41,448
	40,022	45,448
Cash and bank balances pledged as security for bills payable	(12,893)	(4,501)
	27,129	40,947

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	Retained earnings	Total	Non-controlling interests	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Group									
At 1/1/2016	31,440	3,566	6,229	6	6,518	50,851	98,610	6,153	104,763
Total comprehensive income for the year									
Profit for the year	-	-	-	-	-	14,515	14,515	1,459	15,974
Other comprehensive income									
Foreign currency translation differences	-	-	-	-	(3,872)	-	(3,872)	(273)	(4,145)
Effective portion of changes in fair value of cash flow hedges	-	-	-	(4)	-	-	(4)	-	(4)
Total comprehensive income for the year	-	-	-	(4)	(3,872)	14,515	10,639	1,186	11,825
Transaction with owners of the Company, recognised directly in equity									
Contributions by and distributions to owners of the Company									
Dividends to owners of the Company	-	-	-	-	-	(4,716)	(4,716)	(430)	(5,146)
Transfer to reserve fund	-	-	1,458	-	-	(1,458)	-	-	-
Total contributions by and distributions to owners	-	-	1,458	-	-	(6,174)	(4,716)	(430)	(5,146)
Total transactions with owners	-	-	1,458	-	-	(6,174)	(4,716)	(430)	(5,146)
At 31/12/2016	31,440	3,566	7,687	2	2,646	59,192	104,533	6,909	111,442
At 1/1/2017	31,440	3,566	7,687	2	2,646	59,192	104,533	6,909	111,442
Total comprehensive income for the year									
Profit for the year	-	-	-	-	-	20,349	20,349	2,300	22,649
Other comprehensive income									
Foreign currency translation differences	-	-	-	-	(1,459)	-	(1,459)	(112)	(1,571)
Effective portion of changes in fair value of cash flow hedges	-	-	-	(29)	-	-	(29)	-	(29)
Total comprehensive income for the year	-	-	-	(29)	(1,459)	20,349	18,861	2,188	21,049
Transaction with owners of the Company, recognised directly in equity									
Contributions by and distributions to owners of the Company									
Dividends to owners of the Company	-	-	-	-	-	(6,288)	(6,288)	(228)	(6,516)
Transfer to reserve fund	-	-	2,852	-	-	(2,852)	-	-	-
Total contributions by and distributions to owners	-	-	2,852	-	-	(9,140)	(6,288)	(228)	(6,516)
Total transactions with owners	-	-	2,852	-	-	(9,140)	(6,288)	(228)	(6,516)
At 31/12/2017	31,440	3,566	10,539	(27)	1,187	70,401	117,106	8,869	125,975

	Share capital	Retained earnings	Total Equity
	\$'000	\$'000	\$'000
Company			
At 1/1/2016	31,440	3,923	35,363
Total comprehensive income for the year			
Profit for the year	-	4,950	4,950
Total comprehensive income for the year	-	4,950	4,950
Transactions with owners, recognised directly in equity			
Dividends to owners of the Company	-	(4,716)	(4,716)
Total contributions by and distributions to owners / Total transactions with owners	-	(4,716)	(4,716)
At 31/12/2016	31,440	4,157	35,597
At 1/1/2017	31,440	4,157	35,597
Total comprehensive income for the year			
Profit for the year	-	6,956	6,956
Total comprehensive income for the year	-	6,956	6,956
Transactions with owners, recognised directly in equity			
Dividends to owners of the Company	-	(6,288)	(6,288)
Total contributions by and distributions to owners / Total transactions with owners	-	(6,288)	(6,288)
At 31/12/2017	31,440	4,825	36,265

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 2016, 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 31/12/2017	As at 31/12/2016
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 an 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

The Group has applied the same accounting policies and methods of computation in the financial statements for the current accounting year as compared to the audited financial statements for the year ended 31 December 2016 except for the adoption of new or revised Financial Reporting Standards ("FRS") and Interpretations to FRS ("INT FRS") that are mandatory for financial years beginning on or after 1 January 2017. The adoption of these new or revised FRS and INT FRS has no significant impact on the Group's consolidated financial statements.

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

Please refer to paragraph 4 above.

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-17</u>	<u>31-Dec-16</u>
Basic and diluted earnings per ordinary share (in cents)	12.94	9.23

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

	<u>The Group</u>		<u>The Company</u>	
	<u>31-Dec-17</u>	<u>31-Dec-16</u>	<u>31-Dec-17</u>	<u>31-Dec-16</u>
Net asset value per ordinary share based on no. of ordinary share of the Company (in cents)	74.49	66.50	23.07	22.64

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's revenue increased by 32.6% or S\$74.5 million from S\$228.5 million in FY2016 to S\$303.0 million in FY2017.

Total revenue of China's operations increased by 35.9% or S\$69.4 million in the Group's reporting currency in FY2017, mainly due to our China subsidiaries' ability to raise its selling price, especially for sales of corrugated board, and passing on the increased cost of raw material to our customers. The increase of revenue also partly attributed to higher sales volume.

Total revenue achieved by the Singapore entities in FY2017 were increased by 14.3% or S\$5.0 million from S\$34.9 million in FY2016, mainly attributable to higher demand in the biomedical & pharmaceutical and food & beverage industries.

Gross profit margin reduced by 2.3%, which is mainly attributed to higher raw material costs as compared to FY2016. However, the Group's gross profit rose by 18.8% or S\$9.8 million from S\$51.7 million in FY2016 to S\$61.5 million in FY2017. This was mainly contributed by higher sales growth, continued effort in rationalising our workflow, investment in automated machines and upgrade of machineries.

Distribution and selling expenses increased by S\$1.0 million or 7.6%, which was mainly due to higher carriage outwards.

General and administrative expenses increased by S\$1.8 million in FY2017 mainly due to higher staff incentive as a result of better performance and increase of related statutory fund contributions of China subsidiaries in FY2017 as compared to FY2016.

Other expenses increased by S\$0.6 million in FY2017 as compared to FY2016. This was mainly due to exchange loss and impairment losses on property, plant and equipment by S\$0.4 million and S\$0.2 million respectively in FY2017.

Finance costs increased by S\$0.2 million or 21.3% in FY2017 as compared to FY2016 mainly due to the higher working capital requirement, in tandem with higher revenue.

As a result, the net profit attributable to owners of the Company increased by 40.2% or S\$5.8 million in FY2017 as compared to FY2016.

(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\$8.7 million as compared to FY2016. The increase was mainly attributed to the acquisition of property, plant and equipment amounting to S\$16.5 million and partially offset by depreciation charge amounting to S\$6.5 million, a S\$0.8 million downward translation movement due to the weakening of Renminbi ("RMB") against Singapore Dollar ("SGD").

Inventories increased by S\$6.8 million as compared to FY2016 mainly due to increase in raw material prices and partly attributable to stocking up more inventories in anticipation of higher business activities in Jan-18 as compare to Jan-17.

Trade and other receivables increased by S\$34.2 million, which mainly attributed to higher trade receivables and bill receivables by S\$19.2 million and S\$15.1 million respectively as compared to FY2016. The increase was in line with higher revenue achieved by the Group.

Short term loans and borrowings increased by S\$25.4 million was mainly attributed to Group's China operations which moved in tandem with higher purchases. The increase of short term loans and borrowings was mainly attributed to increase borrowing via bill payable by S\$17.2 million as compare to FY2016.

Cash and cash equivalents excluding bank balances pledged as security decreased by S\$13.8 million. The decrease was mainly contributed from payment made for acquisition of property, plant and equipment of S\$16.7 million, higher deposit pledged as securities for bill payables of S\$8.4 million, net cash used in operating activities of S\$7.1 million and dividend payment of S\$6.5 million and offset by net increase of loans and borrowings amounted to S\$24.9 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 previously provided.

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

Both Singapore and China's operating environment will continue to remain challenging with the uncertainty of macro-economic conditions, the volatility of raw materials prices and the competitive environment in this industry.

In view of this, the Group will continue to execute improvement strategies in term of cost management, enhance operational efficiency and boosting productivity.

The Group will continue to invest and upgrade its machineries, improve staff skills and IT capabilities in order to achieve long-term competitiveness and to better serve its customers.

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 29/9/2017	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	Special
Dividend Type	Cash; Tax exempt (1-tier) dividend	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	S\$0.01 per ordinary share
Tax Rate	Exempt (1-tier)	Exempt (1-tier)	Exempt (1-tier)
Date Paid	Paid on 16/9/2016	Paid on 15/5/2017	

(c) Date payable

To be announced later

(d) Books closure date

To be announced later

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

	2017			2016		
	Singapore \$'000	PRC \$'000	Group \$'000	Singapore \$'000	PRC \$'000	Group \$'000
Turnover	39,946	263,017	302,963	34,948	193,579	228,527
Segment results	(1,507)	30,240	28,733	(864)	23,355	22,491
Finance cost			(1,257)			(1,036)
Taxation			(4,827)			(5,481)
Net profit for the year			<u>22,649</u>			<u>15,974</u>
Segment assets	28,710	237,371	266,081	25,129	196,801	221,930
Unallocated assets			1,735			1,461
Total assets			<u>267,816</u>			<u>223,391</u>
Segment liabilities	10,831	129,785	140,616	9,140	100,921	110,061
Unallocated liabilities			1,225			1,888
Total liabilities			<u>141,841</u>			<u>111,949</u>
Other segment information:						
Amortisation of intangible assets	3	-	3	3	-	3
Capital expenditure	1,867	14,668	16,535	3,510	5,125	8,635
Impairment loss on property, plant and equipment	-	195	195	-	-	-
Depreciation	1,160	5,292	6,452	1,075	5,240	6,315

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

China segments results improved by 29.5% or S\$6.9 million mainly contributed from higher revenue growth and coupled with effort in rationalising our workflow, investment in automated machines and upgrade of machineries.

16. A breakdown of sales

	2017 \$'000	2016 \$'000	% increase/ (decrease)
Sales reported for first half year	131,012	104,324	25.6%
Profit after tax reported for first half year	7,855	5,704	37.7%
Sales reported for second half year	171,951	124,203	38.4%
Profit after tax reported for second half year	14,794	10,270	44.1%

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

	2017 \$'000	2016 \$'000
Interim cash dividend	1,572	1,572
Final cash dividend	1,572*	3,144
Special cash dividend	1,572*	1,572
Total annual dividend	<u>4,716</u>	<u>6,288</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
23 February 2018