

Full Year Financial Statements and Dividend Announcement

PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2, Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED INCOME STATEMENT

	GROUP Year Ended 31 December		
	2016 S\$'000	2015 S\$'000	+/(-) %
Revenue	399,978	414,521	(3.5)
Cost of sales	(304,716)	(324,323)	(6.0)
Gross profit	95,262	90,198	5.6
Other income	3,090	3,363	(8.1)
Distribution expenses	(42,584)	(44,101)	(3.4)
Administrative expenses	(29,739)	(30,152)	(1.4)
Other expenses	(3,770)	(6,574)	(42.7)
Results from operating activities	22,259	12,734	74.8
Net finance income	1,397	3,364	(58.5)
Profit before tax	23,656	16,098	47.0
Tax expense	(6,224)	(4,736)	31.4
Profit for the year	17,432	11,362	53.4
Attributable to:			
Owners of the Company	10,302	5,756	79.0
Non-controlling interests	7,130	5,606	27.2
Profit for the year	17,432	11,362	53.4

n.m. - not meaningful

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

	GROUP	
	Year Ended	
	31 December	
	2016	2015
	S\$'000	S\$'000
Profit before tax is stated after (crediting) / charging:		
Interest income	(2,142)	(1,954)
Dividend income	(2)	(2)
Amortisation of deferred income	(120)	(214)
Exchange gain	(1,137)	(1,123)
Gain on disposal of:		
- available-for-sale financial assets	-	(2,069)
- financial assets designated at fair value through profit or loss	-	(1,018)
Income from liquidation of an associate	(914)	-
Net (increase)/decrease in fair value of financial assets designated at fair value through profit or loss	(175)	100
(Write-back)/provision of allowance for stock obsolescence	(662)	172
Allowance made for doubtful receivables	684	5,966
Impairment allowance on property, plant and equipment	-	737
Depreciation of investment properties	20	21
Depreciation of property, plant and equipment	8,614	9,107
Loss/(gain) on disposal of property, plant and equipment	184	(90)
Bad debts written off	72	13
Inventories written off	34	667
Property, plant and equipment written off	2,726	46
Change in fair value of financial derivatives	102	(102)
Interest on borrowings	922	1,579
Taxation		
Current year tax	5,529	4,405
Under/(over) provision of tax in respect of prior years	213	(336)
Withholding tax expenses	1,035	835
Current year deferred tax	(102)	(171)
(Over)/under provision of deferred tax in respect of prior years	(451)	9
Changes in tax rate	-	(6)
	<u>6,224</u>	<u>4,736</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	GROUP		
	Year Ended		
	31 December		
	2016	2015	+/(-)
	S\$'000	S\$'000	%
Profit for the year	17,432	11,362	53.4
Other comprehensive income - Items that are or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences - foreign operations	(5,967)	(461)	n.m.
Effective portion of changes in fair value of cash flow hedges	(4)	6	n.m.
Net change in fair value of available-for-sale financial assets	1	(9)	(111.1)
Net change in fair value of available-for-sale financial assets reclassified to profit or loss	-	(1,473)	n.m.
Other comprehensive income for the year, net of tax	<u>(5,970)</u>	<u>(1,937)</u>	n.m.
Total comprehensive income for the year	<u>11,462</u>	<u>9,425</u>	n.m.
Attributable to:			
Owners of the Company	6,554	3,787	n.m.
Non-controlling interests	4,908	5,638	n.m.
Total comprehensive income for the year	<u>11,462</u>	<u>9,425</u>	n.m.

n.m. - not meaningful

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

In year 2016, the Group achieved a total revenue of S\$399.98 million, a decrease of 3.5% or S\$14.54 million compared to the financial year 2015 (FY2015). Lower revenue was mainly affected by the termination of franchise outlets and lower sales volume from the Consumer Business in Singapore. In addition, weaker demand from major customers in Packaging Business (Tat Seng Group) also led to decrease in the Group's revenue. This decrease was partially off-set by higher revenue contributed by the Consumer Business in Malaysia.

Despite the lower revenue, gross profit increased by 5.6% to S\$95.26 million as compared to S\$90.20 million in FY 2015. Gross profit margin increased by 2.0% to 23.8% of total revenue mainly attributed to favourable product mix.

Other income of S\$3.09 million in FY2016 was lower than S\$3.36 million in FY2015 was mainly due to lower rental and warehousing income by S\$0.98 million with the demolition of its existing warehouse and factory building. In addition, there was lower government grant and sundry income of S\$0.20 million in FY2016 as compared to FY2015. However, the decrease was partially off-set by the income from liquidation of an associate by S\$0.91 million received in FY2016.

Distribution expenses decreased by 3.4% or S\$1.52 million in FY2016 was mainly due to lower staff costs in logistic department resulted from lower revenue in current year as compared to the same period last year. The decrease also attributed to the lower rental charges as a result of termination of franchise outlets.

Administrative expenses decreased by 1.4% or S\$0.41 million in FY2016 was mainly due to lower expenses incurred with the winding up of a subsidiary for Other Business in Malaysia.

Other expenses decreased by S\$2.91 million (43.5%) in FY2016 as compared to FY2015 was mainly due to decrease of S\$4.16 million in allowance made for doubtful receivables from third party and S\$1.06 million from an associate in Malaysia made in FY2015. However, the decrease was partially off-set by an increase in property, plant and equipment write-off of S\$2.68 million as a result of its demolition of existing warehouse and manufacturing plant.

The results from operating activities were S\$22.26 million in FY2016 as compared to S\$12.73 million in FY2015, an increase of S\$9.53 million or 74.8%.

Lower net finance income of S\$1.40 million in FY2016 as compared to S\$3.36 million in FY2015 was mainly due to gain on disposal of financial assets of S\$3.09 million in FY2015 which was non-recurring. The decrease in net finance income was partially off-set by the decrease in interest expense on bank borrowings by S\$0.66 million in Packaging Business and net fair value gain (S\$0.17 million) on financial assets designated at fair value through profit or loss in FY2016 as compared to net fair value loss (S\$0.10 million) on financial assets designated at fair value through profit or loss in FY2015.

The Group achieved a higher profit before tax of S\$23.66 million in FY2016 as compared to S\$16.10 million in FY2015. Tax expense was S\$6.22 million in FY2016 as compared to S\$4.74 million in FY2015.

The Group's net profit after tax for FY2016 was S\$17.43 million as compared to S\$11.36 million reported for FY2015. The net profit attributable to shareholders was S\$10.30 million for FY2016 as compared to S\$5.76 million reported for FY2015.

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

	Note	GROUP		COMPANY	
		31/12/2016	31/12/2015	31/12/2016	31/12/2015
		S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets					
Property, plant and equipment		75,307	76,108	9,397	9,548
Investment properties		770	808	-	-
Subsidiaries		-	-	40,069	40,189
Other financial assets		49	47	49	47
Intangible assets		1,134	1,188	-	-
Deferred tax assets		1,504	1,608	-	-
		<u>78,764</u>	<u>79,759</u>	<u>49,515</u>	<u>49,784</u>
Current assets					
Other financial assets, including derivatives	1	2,041	1,978	2,041	1,972
Inventories	2	39,113	38,393	258	8,734
Trade and other receivables	3	141,411	136,508	47,901	50,388
Cash and cash equivalents	4	175,389	155,871	105,069	95,204
Assets held for sale		46,847	49,043	-	-
		<u>404,801</u>	<u>381,793</u>	<u>155,269</u>	<u>156,298</u>
Total assets		<u>483,565</u>	<u>461,552</u>	<u>204,784</u>	<u>206,082</u>
Equity attributable to equity holders of the Company					
Share capital		200,100	200,100	200,100	200,100
Reserves		70,460	63,906	(8,558)	(11,980)
		<u>270,560</u>	<u>264,006</u>	<u>191,542</u>	<u>188,120</u>
Non-controlling interests		<u>51,803</u>	<u>48,633</u>	<u>-</u>	<u>-</u>
Total equity		<u>322,363</u>	<u>312,639</u>	<u>191,542</u>	<u>188,120</u>
Non-current liabilities					
Loans and borrowings	5	1,340	1,413	-	-
Deferred income		1,176	1,198	-	-
Deferred tax liabilities		1,101	1,781	-	-
		<u>3,617</u>	<u>4,392</u>	<u>-</u>	<u>-</u>
Current liabilities					
Trade and other payables, including derivatives	6	118,957	110,446	13,242	17,962
Loans and borrowings	5	35,798	32,543	-	-
Deferred income		119	107	-	-
Current tax liabilities		2,711	1,425	-	-
		<u>157,585</u>	<u>144,521</u>	<u>13,242</u>	<u>17,962</u>
Total liabilities		<u>161,202</u>	<u>148,913</u>	<u>13,242</u>	<u>17,962</u>
Total equity and liabilities		<u>483,565</u>	<u>461,552</u>	<u>204,784</u>	<u>206,082</u>

Note:

- Other financial assets decreased by S\$0.06 million and S\$0.07 million for the Group and the Company respectively mainly due to decrease in fair value of financial assets designated at fair value through profit or loss.
- At Group level, inventories increased by S\$0.72 million in FY2016 mainly due to increase in raw material costs in Packaging Business and stocking up more inventories in anticipation of further rise in raw material costs.

The significant decrease in the Company's inventory from S\$8.73 million to S\$0.26 million was mainly due to the transfer of inventory to a subsidiary in Singapore for the consolidation of sales in Singapore within an entity. In addition, the termination of franchise outlets led to decrease in inventories stock-up for the Company.

- The increase of S\$4.90 million in trade and other receivables was mainly due to down payment paid for new machinery for production plant expansion and ERP project in Consumer Business in Singapore. However, it was partially off-set by lower advance payment for material purchased from supplier by Packaging Businesses in China.
- Refer to the consolidated statement of cash flow on Page 6 for details of movements in cash and cash equivalents.
- Total loans and borrowings increased by S\$3.18 million was mainly due to increase in utilisation of bills payables of S\$3.45 million by the Packaging Business, partially off-set by repayment of term loans of S\$0.25 million.
- The increase of S\$8.51 million in trade and other payables was due to additional non-refundable deposits of S\$8.70 million received for the disposal of the assets held-for-sale. This was partially off-set by lower purchases of consumer products for the Consumer Businesses which is in tandem with the decrease in sales.

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

	As at	
	31/12/2016	31/12/2015
	S\$'000	S\$'000
Amount repayable in one year or less, or on demand		
- secured	28,639	26,917
- unsecured	7,159	5,626
	<u>35,798</u>	<u>32,543</u>
Amount repayable after one year		
- secured	266	1,413
- unsecured	1,074	-
	<u>1,340</u>	<u>1,413</u>
Total	<u>37,138</u>	<u>33,956</u>

Details of any collateral :

The total secured borrowings of S\$28.91 million as at 31 December 2016 include:

Bank loans and bill payables of S\$28.86 million, secured on leasehold land, certain leasehold buildings and certain plant and machinery held by the Packaging Business with carrying amounts of approximately S\$23.68 million and cash and bank balances of S\$4.50 million.

1(c) A cash flow statement (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	GROUP Year Ended 31 December	
		2016 S\$'000	2015 S\$'000
Operating activities			
Profit for the period		17,432	11,362
Adjustments for:			
Tax expense		6,224	4,736
Depreciation of investment properties		20	21
Depreciation of property, plant and equipment		8,614	9,107
Income from liquidation of an associate		(914)	-
Loss/(Gain) on disposal of:			
- property plant and equipment		184	(90)
- available-for-sale financial assets		-	(2,069)
- financial assets designated at fair value through profit or loss		-	(1,018)
Property, plant and equipment written off		2,726	46
Impairment losses on property, plant and equipment		-	737
Amortisation of deferred income		(120)	(214)
Change in fair value of financial derivatives		102	(102)
Unrealised exchange gain		(891)	(1,618)
Net (increase)/decrease in fair value of financial assets designated at fair value through profit or loss		(175)	100
Net finance income		(1,222)	(377)
		31,980	20,621
Changes in:			
- Inventories	1	(1,453)	2,747
- Trade and other receivables	2	(9,241)	10,432
- Trade and other payables	3	4,312	(3,520)
Cash generated from operations		25,598	30,280
Tax paid		(5,512)	(4,219)
Net cash from operating activities		20,086	26,061
Investing activities			
Interest received		1,452	1,321
Proceeds from liquidation of an associate		914	-
Proceeds from disposal of property, plant and equipment		370	302
Proceeds from maturity of financial assets designated at fair value through profit or loss		-	2,800
Proceeds from disposal of financial assets		-	5,378
Proceeds from partial settlement of debt security		-	1,397
Purchase of property, plant and equipment		(14,316)	(9,212)
Deposit received in relation to assets held-for-sale		8,715	9,030
Net cash (used in)/from investing activities		(2,865)	11,016
Financing activities			
Interest paid		(995)	(1,683)
Dividends paid		(1,739)	(1,172)
Payment of finance lease liabilities		(16)	(16)
(Increase)/decrease in pledged deposits		(1,335)	133
Proceeds from borrowings	4	57,623	59,072
Repayment of borrowings	4	(52,969)	(58,728)
Net cash from/(used in) financing activities		569	(2,394)
Net increase in cash and cash equivalents		17,790	34,683
Cash and cash equivalents at beginning of the period		152,704	116,435
Effect of exchange rate fluctuations on cash held		394	1,586
Cash and cash equivalents at end of the period		170,888	152,704
Comprising:			
Cash at bank and in hand		56,652	52,412
Fixed deposits with banks		118,737	103,459
		175,389	155,871
Deposits pledged		(4,501)	(3,167)
		170,888	152,704

Note:

- 1 Please refer to note 2 in consolidated statement of financial position.
- 2 Please refer to note 3 in consolidated statement of financial position.
- 3 Please refer to note 6 in consolidated statement of financial position.
- 4 Please refer to note 5 in consolidated statement of financial position.

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group	Issued Capital	Treasury Shares	Share Capital	Other Reserves	Fair Value Reserve	Hedging Reserve	Translation Reserve	Retained Earnings	Total	Non-Controlling Interests	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 January 2016	204,327	(4,227)	200,100	6,357	32	6	627	56,884	264,006	48,633	312,639
Total comprehensive income for the year											
Profit for the year	-	-	-	-	-	-	-	10,302	10,302	7,130	17,432
Other comprehensive income											
Foreign currency translation differences - foreign operations	-	-	-	-	-	-	(3,746)	-	(3,746)	(2,221)	(5,967)
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	-	(3)	-	-	(3)	(1)	(4)
Net change in fair value of available-for-sale financial assets	-	-	-	-	1	-	-	-	1	-	1
Total other comprehensive income	-	-	-	-	1	(3)	(3,746)	-	(3,748)	(2,222)	(5,970)
Total comprehensive income for the year	-	-	-	-	1	(3)	(3,746)	10,302	6,554	4,908	11,462
Transactions with owners, recognised directly in equity											
Contributions by and distributions to owners											
Dividends paid	-	-	-	-	-	-	-	-	-	(1,738)	(1,738)
Total contributions by and distributions to owners	-	-	-	-	-	-	-	-	-	(1,738)	(1,738)
Transfer between reserves											
Appropriation of accumulated profits to other reserves	-	-	-	1,458	-	-	-	(1,458)	-	-	-
Total transactions with owners	-	-	-	1,458	-	-	-	(1,458)	-	(1,738)	(1,738)
At 31 December 2016	204,327	(4,227)	200,100	7,815	33	3	(3,119)	65,728	270,560	51,803	322,363
At 1 January 2015	204,327	(4,227)	200,100	5,066	1,348	-	1,286	52,419	260,219	44,167	304,386
Total comprehensive income for the year											
Profit for the year	-	-	-	-	-	-	-	5,756	5,756	5,606	11,362
Other comprehensive income											
Foreign currency translation differences - foreign operations	-	-	-	-	-	-	(659)	-	(659)	198	(461)
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	-	6	-	-	6	-	6
Net change in fair value of available-for-sale financial assets	-	-	-	-	(9)	-	-	-	(9)	-	(9)
Net change in fair value of available-for-sale financial assets reclassified to profit or loss	-	-	-	-	(1,307)	-	-	-	(1,307)	(166)	(1,473)
Total other comprehensive income	-	-	-	-	(1,316)	6	(659)	-	(1,969)	32	(1,937)
Total comprehensive income for the year	-	-	-	-	(1,316)	6	(659)	5,756	3,787	5,638	9,425
Transactions with owners, recognised directly in equity											
Contributions by and distributions to owners											
Dividends paid	-	-	-	-	-	-	-	-	-	(1,172)	(1,172)
Total distributions to owners	-	-	-	-	-	-	-	-	-	(1,172)	(1,172)
Transfer between reserves											
Appropriation of accumulated profits to other reserves	-	-	-	1,291	-	-	-	(1,291)	-	-	-
Total transactions with owners	-	-	-	1,291	-	-	-	(1,291)	-	(1,172)	(1,172)
At 31 December 2015	204,327	(4,227)	200,100	6,357	32	6	627	56,884	264,006	48,633	312,639

Company	Issued Capital	Treasury Shares	Share Capital	Other Reserves	Fair Value Reserve	Accumulated Losses	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 January 2016	204,327	(4,227)	200,100	491	32	(12,503)	188,120
Total comprehensive income for the year							
Profit for the year	-	-	-	-	-	3,422	3,422
Total comprehensive income for the year	-	-	-	-	-	3,422	3,422
At 31 December 2016	204,327	(4,227)	200,100	491	32	(9,081)	191,542
At 1 January 2015	204,327	(4,227)	200,100	491	1,056	(5,068)	196,579
Total comprehensive income for the year							
Profit for the year	-	-	-	-	-	(7,435)	(7,435)
Other comprehensive income							
Net change in fair value of available-for-sale financial assets	-	-	-	-	(9)	-	(9)
Net change in fair value of available-for-sale financial assets reclassified to profit or loss	-	-	-	-	(1,015)	-	(1,015)
Total comprehensive income for the year	-	-	-	-	(1,024)	(7,435)	(8,459)
At 31 December 2015	204,327	(4,227)	200,100	491	32	(12,503)	188,120

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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.

(i) Share Capital

Group and Company

In issue at 1 July and 30 September

2016	2015
No. of shares	No. of shares
570,996,746	570,996,746

(ii) Treasury shares

Group and Company

Balance as at the end of the period

2016	2015
No. of shares	No. of shares
17,581,000	17,581,000

The total number of issued shares excluding treasury shares as at the end of the current financial period was 553,415,746 (31 December 2015: 553,415,746).

(iii) HANWELL Executives' Share Option Scheme 2003

During the current financial year, there was no new issuance nor exercise of share options in respect of unissued ordinary shares under the HANWELL Executives' Share Option Scheme 2003. The balance of issued non-discounted options, including options issued in 2003 was 10,150,000 as at 31 December 2016. 10,150,000 shares may be issued on conversion of all the outstanding options at the end of the 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	
	31/12/2016	31/12/2015
Total number of issued shares	553,415,746	553,415,746

- 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.**

There were no sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period.

- 2 Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited nor reviewed.

- 3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).**

Not applicable.

- 4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Other than the adoption of the new and revised Financial Reporting Standards (FRS) which took effect from the current financial year, there were no changes in accounting policies and methods of computation adopted in the financial statements for the current reporting period as compared to the most recent audited annual financial statements as at 31 December 2015.

- 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.**

The adoption of the new and revised FRSs have no material impact to the financial statements of the Group and of the Company.

- 6 Earning per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	GROUP	
	Year Ended	
	31/12/2016	31/12/2015
	cents	cents
Earnings per ordinary share of the group for the financial period based on net profit attributable to shareholders:		
Basic earnings per share	1.86	1.04
Diluted earnings per share	1.85	1.03

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

	GROUP		COMPANY	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
	cents	cents	cents	cents
Net asset value per ordinary share based on issued share capital at the end of the period reported on	48.89	47.70	34.61	33.99

- 8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cashflow, working capital, assets or liabilities of the group during the current financial period reported on.

Comparatives on Performance by Business Segments

	Turnover For the year		PBIT*	
	2016 S\$'000	2015 S\$'000	2016 S\$'000	2015 S\$'000
By Business Segments				
Consumer Essentials				
Consumer Business	171,428	181,535	6,609	1,278
Strategic Investments				
Packaging	228,499	231,415	21,965	17,614
Others	51	1,571	(1,277)	(4,365)
	<u>399,978</u>	<u>414,521</u>	<u>27,297</u>	<u>14,527</u>
Unallocated amounts:				
- Other corporate expenses, net of income			(5,038)	(1,793)
			<u>22,259</u>	<u>12,734</u>
By Geographical Locations				
Singapore	147,258	164,219	(6,783)	(8,768)
Malaysia	59,142	56,047	4,163	3,332
China	<u>193,578</u>	<u>194,255</u>	<u>24,879</u>	<u>18,170</u>
	<u>399,978</u>	<u>414,521</u>	<u>22,259</u>	<u>12,734</u>

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

Consumer Business

Revenue decreased by S\$10.11 million or 5.6% in FY2016, from S\$181.54 million in FY2015 to S\$171.43 million in FY2016. The decrease was attributable to lower revenue generated from distribution business in Singapore as a result of reduction in franchise outlets. However, the reduction in revenue was partially off-set by higher revenue from its distribution business as a result of products from new agencies and higher demand from customers in Malaysia.

The Consumer Business recorded a PBIT of S\$6.61 million in FY2016 as compared to S\$1.28 million in FY2015. Excluding foreign currency exchange gains of S\$0.47 million in FY2016 (FY2015: loss S\$0.20 million), the Consumer Business recorded a PBIT of S\$6.14 million in FY2016 as compared to S\$1.48 million in FY2015. The improvement is due to reduction in losses resulting from closure of franchise outlets and better margin achieved due to favourable product mix.

Packaging Business

The Packaging Business reported revenue of S\$228.50 million in FY 2016 as compared to S\$231.42 million in FY2015. The decrease was mainly due to the weakening of Renminbi ("RMB") against Singapore Dollar ("SGD") by 6.0% as compared to FY2015. In addition, relocation of MNC customers to Malaysia and USA also affected the revenue in Singapore.

The segment recorded a PBIT of S\$21.97 million in FY2016 as compared to S\$17.61 million in FY2015. This is mainly due to lower cost production achieved in the manufacturing of corrugated board in China as a result of investment in new automated machine. In addition, there was lower allowance for trade receivables made in FY2016 as compared to FY2015.

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

Not applicable.

- 10 A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The consolidation of the Group's Consumer Business in Year 2016 has met its expectation with positive results shown. The trading environment for 2017 in FMCG industry is expected to be soft and the Group will develop new products to enhance range offerings. Margins may be impacted with the volatility in foreign exchange as the Consumer Business purchase raw materials and finished products from overseas.

The Group's packaging business expects the operating environment for both Singapore and China to remain challenging due to uncertainty of macro-economic conditions and increase in raw material costs. The division will continue to focus on stringent cost control and enhance production productivity through automation to stay competitive. It will continue to improve and enhance its existing business and actively explore new business opportunities.

- 11 Dividend

(a) Current Financial Period Reported On

Any dividend recommended for the current financial year reported on Yes

Name of Dividend	Final
Dividend Type	Cash; Tax exempt (1-tier) dividend
Dividend Amount Per Share	S\$0.005 per ordinary share
Tax Rate	Exempt (1-tier)
Date Paid	To be approved by shareholders at the forthcoming AGM

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

No dividend was declared for the corresponding period of the preceding financial year.

(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 pursuant to Rule 920 of the Listing Manual.

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

2016	Consumer Essentials Consumer Business S\$'000	Strategic Investments Packaging S\$'000	Others S\$'000	Total S\$'000
Revenue and expenses				
Total revenue	171,428	228,499	51	399,978
Results from operating activities	6,609	21,965	(1,277)	27,297
Unallocated amounts - Other corporate expenses				(5,038)
Net finance income				1,397
Share of losses of associates (net of tax)				-
Profit before tax				23,656
Tax expense				(6,224)
Profit for the year				17,432
2015				
	Consumer Essentials Consumer Business S\$'000	Strategic Investments Packaging S\$'000	Others S\$'000	Total S\$'000
Revenue and expenses				
Total revenue	181,535	231,415	1,571	414,521
Results from operating activities	1,278	17,614	(4,365)	14,527
Unallocated amounts - Other corporate expenses				(1,793)
Net finance costs				3,364
Share of losses of associates (net of tax)				-
Loss before tax				16,098
Tax expense				(4,736)
Loss for the year				11,362

15 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

This has been addressed in section 8.

16 A breakdown of sales

	GROUP		+ / (-) %
	Year Ended 31/12/2016 S\$'000	31/12/2015 S\$'000	
Sales reported for first half year	191,646	208,078	(7.9)
Operating profit after tax before deducting non-controlling interests reported for first half year	4,057	8,062	(49.7)
Sales reported for second half year	208,332	206,443	0.9
Operating profit after tax before deducting non-controlling interests reported for second half year	13,375	3,300	n.m.
n.m. - not meaningful			

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

	Latest Full Year S\$'000	Previous Full Year S\$'000
Final cash dividend	2,767*	-
* 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).

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Tang Chi Ming	44	Brother of Executive Director, Dr. Tang Cheuk Chee and brother-in-law of Executive Chairman, Dr. Allan Yap	Group Vice President with effect from 1 January 2017 Accountable for the new business strategy and development of the Group. Oversees and in charge of Group's various departments, namely Human Resource & Administration, the Management Information System and new business strategy and development of the Group.	Mr Tang promoted from Assistant Vice President to Group Vice President with effect from 1 January 2017. Change in duties during Year 2016: - With effect from 12 August 2016, Mr Tang Chi Ming has served as Assistant to Executive Director of the Company. With this appointment, Mr Tang Chi Ming no longer oversees Facilities Department. - With effect from 24 October 2016, Mr Tang Chi Ming no longer oversees Group Research & Development Department and Fortune Food Manufacturing Pte Ltd.

19 Confirmation of Undertakings from Directors and Executive Officers pursuant to Rule 720(1) of the Listing Manual

The Company has procured undertakings in the format set out in Appendix 7.7 from all its directors and executive officers under Rule 720(1) of the Listing Manual.

BY ORDER OF THE BOARD

Dr Allan Yap
Chairman
24 February 2017