

Listed companies must provide the information required by Appendix 7.2 of the Listing Manual. Adequate disclosure should be given to explain any material extraordinary item either as a footnote of the material extraordinary item or in the "Review of the performance of the group".



Fourth Quarter and Twelve Months Ended 31 December 2018 Financial Statement and Dividend Announcement

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND 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

Income statement

Income statement	Group			Group		
	S\$'000		%	S\$'000		%
	Q4 FY2018		incr/ (decr)	12 months ended 31 Dec		incr/ (decr)
	2018	2017 (Restated)		2018	2017 (Restated)	
a Revenue	42,052	44,828	(6.2)	165,608	172,192	(3.8)
b Investment income	-	-	-	-	-	-
c Other income including interest income :-	212	118	79.7	1,122	1,010	11.1
(i) Gain on sale of plant & equipment included in other income	20	(29)	(169.0)	83	91	(8.8)
(ii) Interest income	99	55	80.0	294	176	67.0
(iii) Other income	93	92	1.1	745	743	0.3
d Changes in inventories of FG & WIP	(228)	(342)	(33.3)	114	(1,636)	(107.0)
(i) (Allowance for) write-back of inventories	8	53	(84.9)	(15)	45	(133.3)
e Raw materials and consumables used :-	(12,287)	(12,250)	0.3	(46,416)	(45,012)	3.1
(i) Write-back of (allowance for) inventories	(26)	152	(117.1)	23	165	(86.1)
f Staff costs	(12,355)	(12,734)	(3.0)	(45,819)	(45,910)	(0.2)
g Depreciation, amortisation and impairment expenses	(2,463)	(2,384)	3.3	(9,917)	(9,324)	6.4
h Interest on borrowings	(57)	(80)	(28.8)	(224)	(445)	(49.7)
i Other operating expenses :-	(13,507)	(13,960)	(3.2)	(53,307)	(54,326)	(1.9)
(i) Foreign exchange gain (loss)	9	(106)	(108.5)	373	(1,048)	(135.6)
(ii) Allowance for doubtful debts	-	-	-	-	-	-
(ii) Bad debts written off	-	-	-	(9)	(1)	-
j Exceptional items	-	-	-	-	-	-
k Operating profit before income tax, non-controlling interests and extraordinary items but after interest on borrowings, depreciation and amortisation, foreign exchange loss and exceptional items	1,367	3,196	(57.2)	11,161	16,549	(32.6)

Income statement (continued)

l Loss from associated companies

m Profit (loss) from joint venture

n Operating profit before income tax

o Less income tax :-

(i) Adjustment for over provision of tax
in respect of prior periods.

p Profit for the period

Attributable to :-

q Owners of the company

r Non-controlling interests

Group			Group		
S\$'000		%	S\$'000		%
Q4 FY2018		incr/	12 months ended 31 Dec		incr/
2018	2017 (Restated)	(decr)	2018	2017 (Restated)	(decr)
-	-	-	-	-	-
(29)	93	(131.2)	232	305	(23.9)
1,338	3,289	(59.3)	11,393	16,854	(32.4)
(1,068)	(953)	12.1	(2,965)	(4,074)	(27.2)
-	132	(100.0)	9	145	(93.8)
270	2,336	(88.4)	8,428	12,780	(34.1)
57	2,103	(97.3)	7,109	11,254	(36.8)
213	232	(8.2)	1,319	1,526	(13.6)
Group			Group		
S\$'000		%	S\$'000		%
Q4 FY2018		incr/	12 months ended 31 Dec		incr/
2018	2017 (Restated)	(decr)	2018	2017 (Restated)	(decr)
270	2,336	(88.4)	8,428	12,780	(34.1)
39	(26)	-	39	(26)	-
(16)	124	(112.9)	(1,149)	(1,169)	(1.7)
23	98	(76.5)	(1,110)	(1,195)	(7.1)
293	2,434	(88.0)	7,318	11,585	(36.8)
72	1,632	(95.6)	5,999	10,154	(40.9)
221	802	(72.4)	1,319	1,431	(7.8)

Statement of Comprehensive Income

Profit for the period

Other comprehensive income :-

Items that will not be reclassified subsequently to profit or loss :-
(i) Remeasurement of defined benefit obligation

Items that may be reclassified subsequently to profit or loss :-
(i) Foreign currency translation

Other comprehensive income for the period

Total comprehensive income for the period

The comprehensive income attributable to :-

Owners of the Company

Non-controlling Interests

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

Statement of Financial Position

	Group			Company		
	Actual 31-Dec-18 \$'000	(Restated) 31-Dec-17 \$'000	(Restated) 01-Jan-17 \$'000	Actual 31-Dec-18 \$'000	(Restated) 31-Dec-17 \$'000	(Restated) 01-Jan-17 \$'000
ASSETS						
Current assets:						
Cash and cash equivalents	36,052	27,710	42,362	5,422	760	6,894
Trade and other receivables	46,999	50,501	46,613	10,832	10,221	13,157
Inventories	13,429	13,859	20,070	-	-	-
Total current assets	96,480	92,070	109,045	16,254	10,981	20,051
Non-current assets:						
Other assets	2,703	1,209	389	-	-	-
Joint venture	4,179	4,465	4,060	4,216	4,216	4,216
Subsidiaries	-	-	-	19,797	19,797	19,797
Property, plant and equipment	72,563	77,002	74,896	34,213	36,817	39,741
Investment properties	4,240	4,286	4,140	2,357	2,375	2,245
Land use rights	6,400	6,710	6,997	6,022	6,288	6,554
Intangible assets	-	10	20	-	10	20
Goodwill	6,691	6,691	6,691	-	-	-
Deferred tax assets	284	306	307	-	-	-
Total non-current assets	97,060	100,679	97,500	66,605	69,503	72,573
Total assets	193,540	192,749	206,545	82,859	80,484	92,624
LIABILITIES AND EQUITY						
Current liabilities:						
Trade and other payables	25,992	29,239	36,207	8,859	9,077	9,062
Bank loans	-	233	12,564	-	-	12,500
Finance leases	995	578	940	20	19	5
Income tax payable	2,655	2,673	3,072	701	688	313
Total current liabilities	29,642	32,723	52,783	9,580	9,784	21,880
Non-current liabilities:						
Finance leases	3,305	355	390	51	71	-
Deferred tax liabilities	2,742	2,693	2,884	856	1,040	1,230
Post employment benefits	490	463	390	-	-	-
Total non-current liabilities	6,537	3,511	3,664	907	1,111	1,230
Capital, reserves and non-controlling interests:						
Share capital	23,852	23,852	23,852	23,852	23,852	23,852
Statutory surplus reserve	3,015	2,927	2,701	-	-	-
Retained earnings	128,078	126,857	120,526	48,520	45,737	45,662
Currency translation reserve	(2,117)	(968)	106	-	-	-
Equity attributable to owners of the company	152,828	152,668	147,185	72,372	69,589	69,514
Non-controlling interests	4,533	3,847	2,913	-	-	-
Total equity	157,361	156,515	150,098	72,372	69,589	69,514
Total liabilities and equity	193,540	192,749	206,545	82,859	80,484	92,624

1(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year:-

(a) the amount repayable in one year or less, or on demand

As at 31/12/18		As at 31/12/17	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
995	0	578	233

(b) the amount repayable after one year

As at 31/12/18		As at 31/12/17	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
3,305	-	355	-

Details of any collateral

The finance lease liabilities are secured by the assets under finance leases.

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

Statement of cash flows

	Group		Group	
	3 months ended 31 Dec 2018	2017	12 months ended 31 Dec 2018	2017
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flow from operating activities:				
Profit before tax	1,338	3,289	11,393	16,854
Adjustments for :				
Bad debts written off	-	-	9	1
(Write-back) Write-down of inventories	18	(205)	(8)	(210)
Depreciation and amortisation expense	2,463	2,384	9,917	9,324
Gain on disposal of property, plant and equipment	18	29	(83)	(87)
Share of profit from joint venture	29	(93)	(232)	(305)
Post employment benefits	47	75	56	75
Gain on disposal of Intangible assets	(87)	-	(82)	-
Unrealised foreign exchange (gain) loss	63	(376)	63	(376)
Interest income	(99)	(55)	(294)	(176)
Finance costs	57	80	224	445
Operating cash flows before movements in working capital	3,847	5,128	20,963	25,545
Trade and other receivables and other assets	1,487	718	1,556	(5,142)
Inventories	1,276	(398)	355	6,109
Trade and other payables	2,635	3,668	(2,939)	(6,603)
Cash generated from operations	9,245	9,116	19,935	19,909
Interest paid	(57)	(80)	(224)	(445)
Income tax paid	(118)	(797)	(2,912)	(4,663)
Net cash from operating activities	9,070	8,239	16,799	14,801
Cash flow from investing activities:				
Interest received	99	55	294	176
Dividends received from joint venture	-	-	500	-
Proceeds from disposal of property, plant and equipment	95	50	229	231
Purchase of property, plant and equipment	(2,751)	(6,602)	(5,605)	(11,104)
Proceeds from disposal of intangible assets	87	-	87	-
Net cash used in investing activities	(2,470)	(6,497)	(4,495)	(10,697)
Cash flows from financing activities:				
Dividends paid	-	-	(5,839)	(4,671)
Dividends paid to non-controlling interests	-	-	(633)	(497)
Repayment of bank loans	5	(8,371)	(1,084)	(13,579)
Proceeds from bank loans	(4)	382	847	1,242
Repayment of obligations under finance leases	(200)	(167)	(1,118)	(886)
Proceeds from finance leases	-	-	4,403	-
Net cash used in financing activities	(199)	(8,156)	(3,424)	(18,391)
Net increase (decrease) in cash and cash equivalents	6,401	(6,414)	8,880	(14,287)
Cash and cash equivalents at beginning of period	29,423	33,595	27,710	42,362
Effect of foreign exchange rate changes	228	529	(538)	(365)
Cash and cash equivalents at end of period	36,052	27,710	36,052	27,710

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

Statement of changes in equity

GROUP							
	Share capital	Statutory surplus reserve	Retained earnings	Currency translation reserve	Attributable to owners of the company	Non-controlling interests	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 October 2017	23,852	2,720	124,986	(522)	151,036	3,045	154,081
Total comprehensive income for the period							
Profit for the period, net of tax	-	-	2,104	-	2,104	232	2,336
Other comprehensive income for the period	-	-	(26)	(446)	(472)	570	98
Total	-	-	2,078	(446)	1,632	802	2,434
Transactions with owners, recognised directly in equity							
Appropriations	-	207	(207)	-	-	-	-
Dividends paid	-	-	-	-	-	-	-
Total	-	207	(207)	-	-	-	-
Others							
Dividends declared to non-controlling interests	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-
Balance at 31 December 2017	23,852	2,927	126,857	(968)	152,668	3,847	156,515
Balance at 1 October 2018	23,852	2,864	128,133	(2,093)	152,756	4,312	157,068
Total comprehensive income for the period							
Profit for the period, net of tax	-	-	57	-	57	213	270
Other comprehensive income for the period	-	-	39	(24)	15	8	23
Total	-	-	96	(24)	72	221	293
Transactions with owners, recognised directly in equity							
Appropriations	-	151	(151)	-	-	-	-
Dividends paid	-	-	-	-	-	-	-
Total	-	151	(151)	-	-	-	-
Others							
Dividends declared to non-controlling interests	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-
Balance at 31 December 2018	23,852	3,015	128,078	(2,117)	152,828	4,533	157,361
COMPANY							
	Share capital	Statutory surplus reserve	Retained earnings	Currency translation reserve	Attributable to owners of the company	Non-controlling interests	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 October 2017	23,852	-	40,987	-	64,839	-	64,839
Profit for the period, net of tax, representing total comprehensive income for the period	-	-	4,750	-	4,750	-	4,750
Dividends paid, representing transactions with owners recognised directly in equity	-	-	-	-	-	-	-
Balance at 31 December 2017	23,852	-	45,737	-	69,589	-	69,589
Balance at 1 October 2018	23,852	-	45,908	-	69,760	-	69,760
Profit for the period, net of tax, representing total comprehensive income for the period	-	-	8,451	-	8,451	-	8,451
Dividends paid, representing transactions with owners recognised directly in equity	-	-	(5,839)	-	(5,839)	-	(5,839)
Balance at 31 December 2018	23,852	-	48,520	-	72,372	-	72,372

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 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.

Not applicable.

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.

	Number of Issued Shares	
	31-12-18	31-12-17
Balance as at 1 January	233,550,248	233,550,248
Issue of shares	-	-
Balance as at	<u>233,550,248</u>	<u>233,550,248</u>

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

There are no treasury shares as at the end of current period.

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.

There are no subsidiary holdings.

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

The figures have not been audited or reviewed by the company's auditors.

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

Not applicable.

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

Except as disclosed in Note 5 below, the Group has applied the same accounting policies and method of computation in the financial statements for the current financial period compared with those of the audited financial statements as at 31 December 2017.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

On January 2018, the Group adopted the new financial reporting framework – Singapore Financial Reporting Standards (International) (SFRS(I)) which is identical to the International Financial Reporting Standards (IFRS). SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)* will be applied in the first set of SFRS(I) financial statements.

The Group has performed an assessment of the transition options and other requirements of SFRS(I) and has determined that there are no changes to the Group's current accounting policies under the financial reporting Standards in Singapore or material adjustment on the initial transition of the new framework.

In addition, the Group has adopted SFRS(I) 15 Revenue from Contracts with Customers, which is effective for financial periods beginning January 1, 2018. SFRS(I) 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers.

The core principle of SFRS(I) 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specially, the Standard introduces a 5-step approach to revenue recognition:

Under SFRS(I) 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in SFRS(I) 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by SFRS(I) 15.

The application of SFRS(I) 15 has change the Group's accounting relating to revenue recognition for certain revenue streams.

The effect to the Group's financial statements after the adoption of SFRS(I) 15 are as follows:

Income statement for the fourth quarter and twelve months ended 31 December 2017

	As previously stated S\$'000	Restatement S\$'000	As Restated S\$'000
	Q4 FY2017		
Revenue	47,426	(2,598)	44,828
Raw materials and consumables used	13,395	(1,145)	12,250
Other Operating Expenses	15,413	(1,453)	13,960
	12 months ended 31 Dec 2017		
Revenue	182,847	(10,655)	172,192
Raw materials and consumables used	49,633	(4,621)	45,012
Other Operating Expenses	60,360	(6,034)	54,326

Under SFRS(I) 15, the Group has assessed that it acts as an agent in delivery of services for certain projects. Accordingly, the Group recognises the net fee which it is entitled to as revenue, in exchange for arranging for the delivery of such services for the projects

Except for SFRS(I) 15 as disclosed above, the adoption of the new SFRS(I)s, amendments and interpretations of SFRS(I)s which took effect in the current financial year, there were no other 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 financial statements.

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

	3 months ended		12 months ended	
	Dec'18	Dec'17	Dec'18	Dec'17
Earnings per Ordinary Share for the period based on net profit attributable to shareholders :-				
i) Based on the weighted average number of ordinary shares on issue (cents)	0.02	0.90	3.04	4.82
ii) On a fully diluted basis (cents)	0.02	0.90	3.04	4.82

Note

- The earnings per ordinary share ("EPS") for the period ended December 31, 2018 has been calculated on weighted average number of ordinary shares in issue of 233,550,248 (2017 : 233,550,248) ordinary shares.
- Fully diluted EPS for the period ended December 31, 2018 is calculated on 233,550,248 (2017 : Diluted EPS is calculated at 233,550,248) ordinary shares.

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 financial period reported on and (b) immediately preceding financial year

	GROUP		COMPANY	
	Dec'18	Dec'17	Dec'18	Dec'17
Net asset value per ordinary share based on issued share capital at the end of the period	65.44 cts	65.37 cts	30.99 cts	29.80 cts

Note: The net asset value per ordinary share for the period ended December 31, 2018 have been calculated based on the issued share capital of 233,550,248 shares (2017 : 233,550,248)

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

Income Statement

4Q FY 2018 vs 4Q FY 2017

For the fourth quarter ended 31 December 2018, the Group achieved total revenue of \$42.1 million, 6.2% lower than the \$44.8 million achieved in the same period last year.

The Packaging Printing-related business accounted for 57.0% of the Group's revenue and the Logistics and Services business contributed the remaining 43.0%. In terms of geographical perspective, the Singapore operations continued to be the main contributor and it accounted for 55.1% of the Group's revenue. The China operations remained as the second largest contributor, accounting for 30.6% of the Group's revenue.

For the Packaging Printing business, revenue decreased by 6.5% from \$25.6 million to \$23.9 million whilst revenue for the Logistics business decreased by 5.9% from \$19.0 million to \$17.8 million. The decrease in the Packaging Printing segment revenue was mainly due to decrease in demand from some existing customers in Singapore and China. For the Logistics business, the decrease was mainly due to decrease in demand from some existing customers in Singapore.

The Group's operating profit before tax for the fourth quarter ended 31 December 2018 decreased by 59.3% from \$3.3 million to \$1.3 million for the same period in the previous year. This was mainly due to reduction in revenue and higher cost of operations.

12M FY 2018 vs 12M FY 2017

For the twelve months ended 31 December 2018, the Group achieved total revenue of \$165.6 million, 3.8% lower than the \$172.2 million achieved in the same period last year.

The Packaging Printing business accounted for 55.2% of the Group's revenue and the Logistics and Services business contributed the remaining 44.8%. In terms of geographical perspective, the Singapore operations continued to be the main contributor and it accounted for 56.0% of the Group's revenue. The China operations remained as the second largest contributor, accounting for 29.8% of the Group's revenue.

For the Packaging Printing business, revenue decreased by 4.5% from \$95.6 million to \$91.3 million whilst revenue for the Logistics business decreased by 3.1% from \$75.6 million to \$73.3 million. The decrease in the Packaging Printing segment revenue was mainly due to decrease in demand from some existing customers in Singapore and China. For the Logistics business, the decrease was mainly due to decrease in demand from some existing customers in Singapore.

The Group's operating profit before tax for the twelve months ended 31 December 2018 decreased by 32.4% from \$16.9 million to \$11.4 million for the same period in the previous year. This was mainly due to reduction in revenue and higher cost of operations.

For the Packaging Printing business, operating profit before tax (after allocation of corporate services performance) decreased by 84.6% from \$4.0 million to \$0.6 million mainly due to reduction in revenue, higher material cost and higher costs of operations.

For the Logistics business, operating profit before tax (after allocation of corporate services performance) decreased by 16.4% from \$12.9 million to \$10.8 million. The decrease in operating profit was mainly due to decrease in revenue attributable to lower demand from some existing customers.

The Group's other income for the twelve months ended 31 December 2018 increased by 11.1% from \$1.0 million to \$1.1 million. This was mainly due to the increase in Government Grant in China.

The Group's depreciation and amortisation expenses increased by 6.4% from \$9.3 million to \$9.9 million as a result of the Group's increased investments in property, plant and equipment in Singapore, China and Indonesia.

Statement of Financial Position

Total assets increased 0.4% from \$192.7 million as at 31 December 2017 to \$193.5 million as at 31 December 2018.

Current assets increased 4.8% from \$92.1 million as at 31 December 2017 to \$96.5 million as at 31 December 2018. The increase was mainly due to the increase in cash and cash equivalents offset by lower trade and other receivables and lower inventories level.

Cash and cash equivalents increased by 30.1% to \$36.1 million as of 31 December 2018 as compared to \$27.7 million as at 31 December 2017.

Trade and other receivables decreased by 6.9% from \$50.5 million in the previous year to \$47.0 million as at 31 December 2018, mainly due to subsequent collection in the current financial year as well as lower sales in the twelve months ended 31 December 2018.

Inventories decreased 3.1% from \$13.9 million to \$13.4 million over the same corresponding period, due to lower inventory held in Singapore, and Malaysia offset by increase in China and Indonesia.

Non-current assets decreased 3.6% from \$100.7 million as at 31 December 2017 to \$97.1 million as at 31 December 2018. This was primarily due to the decrease in property, plant and equipment, land use rights and joint venture offset by the increase in other assets.

Property, plant and equipment decreased \$4.4 million (or 5.8%) from \$77.0 million as at 31 December 2017 to \$72.6 million as at 31 December 2018. Land use rights decrease \$0.3 million (or 4.6%) from \$6.7 million as at 31 December 2017 to \$6.4 million as at 31 December 2018. This was mainly due to depreciation and amortisation charges for the current financial period.

Joint venture in Malaysia decreased \$0.3 million (or 6.4%) from \$4.5 million as at 31 December 2017 to \$4.2 million as at 31 December 2018. The decrease was mainly due to distribution of dividends from joint venture of \$0.5 million.

Other assets increased \$1.5 million (or 123.6%) from \$1.2 million as at 31 December 2017 to \$2.7 million as at 31 December 2018. The increase was mainly due to down payment for plant and equipment in China and higher income tax recoverable from Indonesia and India.

Total liabilities decreased minimally by 0.2% from \$36.2 million as at 31 December 2017 to \$36.2 million as at 31 December 2018. Current liabilities decreased 9.4% from \$32.7 million to \$29.6 million mainly due to the payment of trade and other payables. The decrease in current liabilities is offset by the increase in non-current liabilities. Non-current liabilities increased 86.2% from \$3.5 million to \$6.5 million mainly due to increase in finance leases.

Statement of Cash Flows

For the twelve months ended 31 December 2018, the Group generated positive cash flow of \$20.0 million from operations after working capital changes. It was \$19.9 million for the same period in the previous year. This increase was mainly attributed to the absence of the paying down of trade and other payables from the completion of the one-time warehouse storage and distribution project.

During this period, the Group continued to invest \$5.6 million in plant and equipment. These include additional plant and equipment in Singapore and for subsidiaries in China and Indonesia.

The Group's net cash flow from financing activities registered a lower negative cash flow of \$3.4 million compared to a negative cash flow of \$18.4 million for the same period in the previous year. This was mainly due to proceeds from finance leases, lower repayment of bank loans offset by higher dividends paid.

The Group's debt to equity ratio has correspondingly increased from 0.8% as at 31 December 2017 to 2.8% as at 31 December 2018.

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

The results are in line with the commentary previously stated in Paragraph 10 of the announcement for the financial year ended 31 December 2017.

10. 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 reporting period and the next 12 months

The general economic outlook remains challenging with rising competition in the region that has resulted in downward pressure on pricing and increased operating costs squeezing our profit margins.

The management will continue to take steps to be competitive, widen revenue sources and manage its cost structure.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Name of dividend	:	Final
Dividend Type	:	Cash
Dividend amount per share (in cents)	:	1.0 cent
Tax rate	:	Tax exempt (one-tier)
Date paid	:	Refer to para 11(c)

Name of dividend	:	Interim
Dividend Type	:	Cash
Dividend amount per share (in cents)	:	0.5 cent
Tax rate	:	Tax exempt (one-tier)
Date paid	:	10 September 2018

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Name of dividend	:	Special
Dividend Type	:	Cash
Dividend amount per share (in cents)	:	1.0 cent
Tax rate	:	Tax exempt (one-tier)
Date paid	:	18 May 2018

Name of dividend	:	Final
Dividend Type	:	Cash
Dividend amount per share (in cents)	:	1.0 cent
Tax rate	:	Tax exempt (one-tier)
Date paid	:	18 May 2018

Name of dividend	:	Interim
Dividend Type	:	Cash
Dividend amount per share (in cents)	:	0.5 cent
Tax rate	:	Tax exempt (one-tier)
Date paid	:	8 September 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 and the reason(s) for the decision.

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 did not obtain a general mandate from shareholders for IPTs.

- 14. Negative confirmation pursuant to Rule 705(5). (Not required for announcement on full year results)**

Not applicable for full year announcement.

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

The Company has procured undertakings from all its directors and executive officers.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

16. 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

Year 2018

Revenue	Packaging Printing	Logistics	Services	Elimination	Total
External sales	91,337	73,257	1,014	-	165,608
Inter-segment sales	33,218	9,306	14,894	(57,418)	-
Total revenue	124,555	82,563	15,908	(57,418)	165,608

Results					
Segment results	(62)	9,729	596	-	10,263
Interest income	57	237	-		294
Other income	255	302	271		828
Profit from operations	250	10,268	867	-	11,385
Share of profit of joint venture	232				232
Finance costs	(221)	-	(3)		(224)
Profit before income tax	261	10,268	864	-	11,393
Income tax expense	(571)	(1,974)	(420)		(2,965)
Profit for the year	(310)	8,294	444	-	8,428

Other Segment Information					
Capital expenditure	4,526	307	772	-	5,605
Depreciation and amortisation	5,518	733	3,665	-	9,917

BALANCE SHEET

	Packaging Printing	Logistics	Services	Elimination	Total
Assets					
Segment assets	87,980	52,615	52,661	-	193,256
Unallocated assets					284
Consolidated total assets					193,540
Liabilities					
Segment liabilities	15,646	10,842	4,294	-	30,782
Unallocated liabilities					5,397
Consolidated total liabilities					36,179

Year 2017

	Packaging Printing	Logistics	Services	Elimination	Total
Revenue					
External sales	95,648	75,564	980	-	172,192
Inter-segment sales	29,267	9,904	14,856	(54,027)	-
Total revenue	124,915	85,468	15,836	(54,027)	172,192
Results					
Segment results	3,517	12,472	(5)	-	15,984
Interest income	50	126	-		176
Other income	169	248	417		834
Profit from operations	3,736	12,846	412	-	16,994
Share of profit of joint venture	305	-	-		305
Finance costs	(180)	-	(265)		(445)
Profit before income tax	3,861	12,846	147	-	16,854
Income tax expense	(1,286)	(2,333)	(455)		(4,074)
Profit for the year	2,575	10,513	(308)	-	12,780

Other segment information					
Capital expenditure	9,428	1,216	460	-	11,104
Depreciation and amortisation	4,927	768	3,629	-	9,324

BALANCE SHEET

	Packaging Printing	Logistics	Services	Elimination	Total
Assets					
Segment assets	86,906	54,262	51,275	-	192,443
Unallocated assets					306
Consolidated total assets					192,749
Liabilities					
Segment liabilities	14,749	11,615	4,504	-	30,868
Unallocated liabilities					5,366
Consolidated total liabilities					36,234

Segmental Results-By Geographical Segment

	Revenue from external customers		Non-current assets	
(S\$'000)	Y2018	Y2017	Y2018	Y2017
Singapore	92,694	99,969	66,917	71,022
People's republic of China	49,355	49,913	15,920	15,240
Indonesia	14,407	13,468	4,464	4,141
Malaysia	3,994	4,062	8,850	9,645
Thailand	664	506	63	8
Japan	2,147	2,113	231	167
Australia	884	731	87	125
India	742	766	221	10
Taiwan	721	664	23	15
Total	165,608	172,192	96,776	100,373

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

Revenue contribution from the Packaging Printing business accounted for 55.2% of the Group's revenue whilst Logistics and Services business contributed the balance of 44.8%. In FY 2017, it was 55.5% and 44.5% respectively.

The revenue for the Packaging Printing business decreased by 4.5% from \$95.6 million in 2017 to \$91.3 million in 2018, whilst the Logistics business decreased by 3.1% in revenue from \$75.6 million in 2017 to \$73.3 million in 2018. The decrease in the Packaging Printing segment revenue was mainly due to decrease in demand from some existing customers in Singapore and China. For the Logistics business, the decrease was mainly due to decrease in demand from some existing customers in Singapore.

The operating profit before tax for the Packaging Printing business (after allocation of corporate services expenses) decreased by 84.6% from \$4.0 million in 2017 to \$0.6 million in 2018. The decrease in pre-tax operating profit was mainly due to reduction in revenue, higher material cost and higher costs of operations. The Packaging Printing business accounted for 5.3% of the Group's pretax operating profit.

The operating profit before tax for the Logistics business (after allocation of corporate services expenses) decreased by 16.4% for the same period, from \$12.9 million in 2017 to \$10.8 million in 2018. The decrease in operating profit was mainly due to decrease in revenue attributable to lower demand from some existing customers. The Logistics business segment accounted for 94.7% of the Group's pretax operating profit.

In terms of geographical perspective, the Singapore operations remained the main revenue contributor as it accounted for 56.0% of the Group's revenue. The China operations were the second largest contributor at 29.8%. In 2017, it was 58.1% and 29.0% respectively.

18. A breakdown of sales

A breakdown of sales	2018	2017	+ / (-) %
Sales reported for the first half year	81,676	84,318	(3.13)
Operating profit after tax reported for the first half year	5,539	7,940	(30.24)
Sales reported for the second half year	83,932	87,874	(4.49)
Operating profit after tax reported for the second half year	2,889	4,840	(40.31)

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

A breakdown of the total annual dividend

	FY 2018 S\$'000	FY 2017 S\$'000
Ordinary	5,839	4,671
Preference	-	-
Total :	<u>5,839</u>	<u>4,671</u>

Please refer to paragraph 11 on dividends.

20. 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.

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
Thomas Chua Kee Seng, 64	Husband of Mai Ah Ngo.	Chairman & Managing Director of Teckwah Industrial Corporation Ltd (2002)	N.A.
Mai Ah Ngo, 63	Wife of Thomas Chua Kee Seng.	Executive Director of Teckwah Industrial Corporation Ltd (1991)	N.A.
Goh Bong Chee, 67	Cousin of Thomas Chua Kee Seng; Cousin-in-law of Mai Ah Ngo.	Head, Purchasing & Material Planning of Teckwah Value Chain Pte Ltd (2001)	N.A.
James Chua Kee Hin, 57	Brother of Thomas Chua Kee Seng; Brother-in-law of Mai Ah Ngo.	Senior Regional Business Operations Director of Teckwah Value Chain Pte Ltd (2016)	N.A.
Chua Bee Lay, 58	Sister of Thomas Chua Kee Seng; Sister-in-law of Mai Ah Ngo.	Program Manager of Teckwah Value Chain Pte Ltd (2006)	N.A.
Chua Ai Ling, 36	Daughter of Thomas Chua Kee Seng & Mai Ah Ngo.	Group Business Development Director of Teckwah Industrial Corporation Ltd (2017)	N.A.
Chua Xing Ling, 35	Daughter of Thomas Chua Kee Seng & Mai Ah Ngo.	Corporate Planning and Enterprise Risk Management Manager of Teckwah Industrial Corporation Ltd (2014)	N.A.
Chua Bao Hui, 28	Daughter of Thomas Chua Kee Seng & Mai Ah Ngo.	Corporate Communication Manager (2018)	Re-designated to Manager, Corporate Communications of Teckwah Industrial Corporation Ltd on 15 May 2018
Calvin Ong Shan Qian, 36	Nephew of Thomas Chua Kee Seng; Nephew-in-law of Mai Ah Ngo.	Sourcing and Purchasing Manager of Teckwah Value Chain Pte Ltd (2018)	Re-designated to Sourcing and Purchasing Manager of Teckwah Value Chain Pte Ltd on 1 March 2018

BY ORDER OF THE BOARD
Thomas Chua Kee Seng
Chairman & Managing Director
February 22, 2019
Singapore