

Financial Statements For The Year Ended 31 December 2014
PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS
1(a) An income statement (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-14 \$'000	Year ended 31-Dec-13 \$'000	
Revenue	224,545	215,601	4.1%
Cost of sales	(179,105)	(171,778)	4.3%
Gross profit	45,440	43,823	3.7%
Other income	938	857	9.5%
Distribution and selling expenses	(13,264)	(12,492)	6.2%
General and administrative expenses	(15,911)	(14,237)	11.8%
Other expenses	(1,330)	(498)	167.1%
Finance costs	(2,443)	(2,562)	-4.6%
Profit before income tax	13,430	14,891	-9.8%
Income tax expense	(3,875)	(2,691)	44.0%
Profit for the year	9,555	12,200	-21.7%
Profit attributable to:			
Owners of the Company	9,489	11,837	-19.8%
Non-controlling interests	66	363	-81.8%
Profit for the year	9,555	12,200	
Consolidated Statement of Comprehensive Income			
Profit for the year	9,555	12,200	-21.7%
Other comprehensive income:			
Items that are or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences	1,583	4,244	-62.7%
Net change in fair value of available-for-sale financial assets	96	192	-50.0%
Other comprehensive income for the year, net of tax	1,679	4,436	-62.2%
Total comprehensive income for the year	11,234	16,636	-32.5%
Total comprehensive income attributable to:			
Owners of the Company	11,178	15,957	-29.9%
Non-controlling interests	56	679	-91.8%
Total comprehensive income for the year	11,234	16,636	
Note on profit before tax			
Profit before tax is determined after charging/(crediting) the following:			
Interest income from fixed deposit and others	(238)	(179)	
Interest expense on loans and borrowings	2,310	2,395	
Depreciation of property, plant and equipment	5,912	5,405	
Reversal of impairment loss on property, plant and equipment	-	(205)	
Property, plant and equipment written off	82	78	
(Gain)/loss on disposal of property, plant and equipment (net)	(170)	203	
Amortisation of intangible assets	3	3	
Allowances made for/(reversal of) doubtful trade receivables (net)	512	(104)	
Reversal of allowances for inventory obsolescences	(33)	(62)	
Loss on foreign exchange (net)	123	38	
Taxation			
Current year income tax	3,760	3,495	
Under provision of income tax in respect of prior years	93	168	
Current year deferred tax	(812)	(575)	
Under / (over) provision of deferred tax in respect of prior years	688	(392)	
Changes in tax rate	146	(5)	
	3,875	2,691	

1(b)(i) A balance sheet (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	As at	As at	As at
	31-Dec-14	31-Dec-13	31-Dec-14	31-Dec-13
	\$'000	\$'000	\$'000	\$'000
Non-current assets				
Property, plant and equipment	56,301	53,979	557	860
Investment in subsidiaries	-	-	29,321	29,321
Intangible assets	1,196	1,177	24	27
Investment securities	832	736	832	736
Deferred tax assets	1,639	1,752	452	218
	59,968	57,644	31,186	31,162
Current assets				
Inventories	14,750	17,100	-	1,406
Trade and bills receivables	99,316	99,137	3,428	3,235
Prepaid operating expenses	1,251	1,341	19	43
Other receivables and deposits	2,488	2,051	13	94
Amounts due from subsidiaries (non-trade)	-	-	-	3,620
Fixed deposits	1,000	4,500	1,000	4,000
Cash and bank balances	17,812	21,626	2,853	2,686
	136,617	145,755	7,313	15,084
Current liabilities				
Trade and other payables	57,055	60,630	546	960
Bills payable	11,536	15,091	-	-
Loans and borrowings	20,198	22,367	16	3,000
Amount due to holding company (non-trade)	216	159	216	159
Amount due to subsidiary (non-trade)	-	-	5	-
Other liabilities	11,287	10,909	3,315	4,398
Deferred income	121	110	37	37
Income tax payable	172	1,330	-	12
	100,585	110,596	4,135	8,566
Net current assets	36,032	35,159	3,178	6,518
Non-current liabilities				
Deferred income	1,153	1,175	68	105
Deferred tax liabilities	-	98	-	-
Loans and borrowings	1,218	5,994	61	3,500
	2,371	7,267	129	3,605
Net assets	93,629	85,536	34,235	34,075
Equity attributable to owners of the Company				
Share capital	31,440	31,440	31,440	31,440
Retained earnings	42,843	37,319	2,337	2,273
Capital reserve	3,566	3,566	-	-
Statutory reserve fund	4,938	4,114	-	-
Fair value adjustment reserve	458	362	458	362
Foreign currency translation reserve	4,974	3,381	-	-
	88,219	80,182	34,235	34,075
Non-controlling interests	5,410	5,354	-	-
Total equity	93,629	85,536	34,235	34,075

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

	As at 31/12/2014		As at 31/12/2013	
	Secured	Unsecured	Secured	Unsecured
Amount repayable in one year or less, or on demand	20,156	11,578	15,036	22,422
Amount repayable after one year	1,218	-	2,494	3,500

Details of any collateral

The Group's loans and borrowings and bills payable are secured by the leasehold land, certain leasehold building, certain plant and machinery and certain motor vehicle with net book value of approximately S\$30.7 million (2013: S\$31.3 million), and cash and bank balances amounted S\$3.2 million (2013: S\$3 million) and trade & bills receivables of S\$8.6 million (2013: nil).

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	Year ended
	31-Dec-14 \$'000	31-Dec-13 \$'000
Cash flows from operating activities		
Profit before income tax	13,430	14,891
Adjustments for:		
Amortisation of deferred income	(112)	(104)
Depreciation of property, plant and equipment	5,912	5,405
Property, plant and equipment written off	82	78
Net (gain) / loss on disposal of property, plant and equipment	(170)	203
Amortisation of intangible assets	3	3
Reversal of impairment loss on property, plant and equipment	-	(205)
Allowances made for / (reversal of) doubtful trade receivables (net)	512	(104)
Reversal of allowance for inventory obsolescences	(33)	(62)
Inventories written off	-	100
Finance costs	2,310	2,562
Interest income	(238)	(179)
Net effect of exchange differences	(56)	109
Operating cash flows before changes in working capital	21,640	22,697
Changes in inventories	2,571	(651)
Changes in trade and other receivables, and prepaid operating expenses	818	(20,350)
Changes in trade and other payables and other liabilities	(6,737)	15,049
Cash flows generated from operating activities	18,292	16,745
Interest paid	(2,260)	(2,566)
Income taxes paid (net)	(4,997)	(3,052)
Net cash from operating activities	11,035	11,127
Investing activities		
Interest received	239	179
Acquisition of property, plant and equipment	(9,061)	(10,712)
Proceeds from sale of property, plant and equipment	796	678
Net cash flows used in investing activities	(8,026)	(9,855)
Financing activities		
Proceeds from loans and borrowings	30,670	28,951
Repayment of loan from holding company	(6,500)	-
Repayment of loans and borrowings	(31,539)	(32,949)
Changes in pledge of cash & bank balances	(112)	1,041
Dividends paid	(3,144)	(1,572)
Net cash flows used in financing activities	(10,625)	(4,529)
Net decrease in cash and cash equivalents	(7,616)	(3,257)
Cash and cash equivalents at 1 January	23,125	25,566
Effect of exchange rate fluctuations on cash held	127	816
Cash and cash equivalents at 31 December	15,636	23,125
Cash and cash equivalents at end of year comprise of:-		
Fixed deposits	1,000	4,500
Cash and bank balances	17,812	21,626
Cash and bank balances pledged as security for bills payable	(3,176)	(3,001)
	15,636	23,125

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	Translation reserve	Reserve fund	Fair value reserve	Capital reserve	Retained earnings	Total	Non-controlling interests	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Group									
At 1/1/2013	31,440	(547)	3,513	170	3,566	27,653	65,795	4,675	70,470
Total comprehensive income for the year									
Profit for the year	-	-	-	-	-	11,837	11,837	363	12,200
Other comprehensive income									
Foreign currency translation differences	-	3,928	-	-	-	-	3,928	316	4,244
Net changes in fair value of available-for-sale financial assets	-	-	-	192	-	-	192	-	192
Total comprehensive income for the year	-	3,928	-	192	-	11,837	15,957	679	16,636
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	-	-	-	-	-	(1,572)	(1,572)	-	(1,572)
Unclaimed dividend reversed	-	-	-	-	-	2	2	-	2
Transfer to reserve fund	-	-	601	-	-	(601)	-	-	-
Total contributions by and distributions to owners	-	-	601	-	-	(2,171)	(1,570)	-	(1,570)
Total transactions with owners	-	-	601	-	-	(2,171)	(1,570)	-	(1,570)
At 31/12/2013	31,440	3,381	4,114	362	3,566	37,319	80,182	5,354	85,536
At 1/1/2014	31,440	3,381	4,114	362	3,566	37,319	80,182	5,354	85,536
Total comprehensive income for the year									
Profit for the year	-	-	-	-	-	9,489	9,489	66	9,555
Other comprehensive income									
Foreign currency translation differences	-	1,593	-	-	-	-	1,593	(10)	1,583
Net changes in fair value of available-for-sale financial assets	-	-	-	96	-	-	96	-	96
Total comprehensive income for the year	-	1,593	-	96	-	9,489	11,178	56	11,234
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	-	-	-	-	-	(3,144)	(3,144)	-	(3,144)
Unclaimed dividend reversed	-	-	-	-	-	3	3	-	3
Transfer to reserve fund	-	-	824	-	-	(824)	-	-	-
Total contributions by and distributions to owners	-	-	824	-	-	(3,965)	(3,141)	-	(3,141)
Total transactions with owners	-	-	824	-	-	(3,965)	(3,141)	-	(3,141)
At 31/12/2014	31,440	4,974	4,938	458	3,566	42,843	88,219	5,410	93,629

	Share capital \$'000	Fair value reserve \$'000	Retained earnings \$'000	Total Equity \$'000
Company				
At 1/1/2013	31,440	170	1,792	33,402
Total comprehensive income for the year				
Profit for the year	-	-	2,051	2,051
Other comprehensive income				
Net changes in fair value of available-for-sale financial assets	-	192	-	192
Total comprehensive income for the year	-	192	2,051	2,243
Transactions with owners, recognised directly in equity				
Dividends to owners of the Company	-	-	(1,572)	(1,572)
Unclaimed dividend reversed	-	-	2	2
Total contributions by and distributions to owners / Total transactions with owners	-	-	(1,570)	(1,570)
At 31/12/2013	31,440	362	2,273	34,075
At 1/1/2014	31,440	362	2,273	34,075
Total comprehensive income for the year				
Profit for the year	-	-	3,205	3,205
Other comprehensive income				
Net changes in fair value of available-for-sale financial assets	-	96	-	96
Total comprehensive income for the year	-	96	3,205	3,301
Transactions with owners, recognised directly in equity				
Dividends to owners of the Company	-	-	(3,144)	(3,144)
Unclaimed dividend reversed	-	-	3	3
Total contributions by and distributions to owners / Total transactions with owners	-	-	(3,141)	(3,141)
At 31/12/2014	31,440	458	2,337	34,235

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 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

Since the end of 31 December 2013, 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.

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 31/12/2014	As at 31/12/2013
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

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 and 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 2013.

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

Not applicable.

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-14</u>	<u>31-Dec-13</u>
Basic earnings per ordinary share (in cents)	6.04	7.53
Diluted earnings per ordinary share (in cents)	6.04	7.53

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-14</u>	<u>31-Dec-13</u>	<u>31-Dec-14</u>	<u>31-Dec-13</u>
Net asset value per ordinary share based on no. of ordinary share of the Company (in cents)	56.12	51.01	21.78	21.68

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 revenue growth slowed down in second half of FY2014, its revenue reduced slightly by 2.4% or S\$2.8 million in second half of FY2014 as compared to second half of FY2013. Overall, the Group's revenue increased by 4.1% or S\$8.9 million from S\$215.6 million in FY2013 to S\$224.5 million in FY2014.

The China operations' revenue increased by 7.2% or S\$12.5 million from S\$175.2 million in FY2013 to S\$187.7 million in FY2014. The increase was mainly attributed to the growth of revenue from Nantong Tat Seng ("Nantong Tat Seng Packaging Co., Ltd.") and Tianjin Dansun ("Tianjin Dansun Packaging Co., Ltd.").

The revenue of Singapore operations for FY2014 decreased by 9% or S\$3.6 million as compared to FY2013. The consolidation of two Singapore operations in year 2014 had impacted and decreased Singapore operations' revenue, especially in the first half of the year. However, the revenue of second half showed improvement of S\$1.5 million or 7.8% as compared to first half.

The Group's cost of sales increased by 4.3% or S\$7.3 million from S\$171.8 million in FY2013 to S\$179.1 million in FY2014 which was in line with the revenue increased. The increase of cost of sales was mainly attributed to stable raw material price during the year. As a result of this, the Group's gross profit has increased at 3.7% or S\$1.6 million from S\$43.8 million in FY2013 to S\$45.4 million in FY2014.

The increase in distribution and selling expenses of 6.2% or S\$0.7 million was mainly due to higher revenue achieved by the Group and partly attributable to higher expenses incurred on custom clearance and warehouse's storage cost in "export processing zone" of the new customer in China and higher transportation costs from the increase of customers' sales with longer delivery distance.

General and administrative expenses increased by 11.8% or S\$1.7 million to S\$15.9 million. The increase was mainly due to the higher minimum wage imposed by the China's government, increase on all the related statutory fund contributions.

Other expenses increased by S\$0.8 million as compared to FY2013 was mainly due to provision of doubtful debt in FY2014.

Finance expenses decreased by S\$0.1 million in FY2014 as compared to FY2013 was due to repayment of loan from holding company.

Taxation increased by S\$1.2 million as compared to FY2013. This was mainly due to the net difference on provision of deferred tax in respect of prior year amounted to S\$1.1 million as compared to FY2013.

As a result, the net profit attributable to the shareholders decreased by 21.7% or S\$2.6 million as compared to FY2013.

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

The Group's property, plant & equipment increased by S\$2.3 million as compared to FY2013. The increase was mainly attributed to the acquisition of property, plant and equipment amounting to S\$8.0 million and offsetted by depreciation charge of S\$5.9 million.

The Group's inventories decreased by S\$2.4 million which was attributed to better management control on inventory level.

The Group's trade and bills receivables increased by S\$0.2 million as compared to FY2013. The increase of S\$1.8 million is attributable to strengthening of RMB against SGD and offsetted by reduction of S\$1.6 million on Group's trade and bills receivables.

The Group cash and bank balances, excluding bank balances pledged as security, decreased by S\$7.5 million. This was mainly due to repayment of loan to holding company amounted to S\$6.5 million and higher dividend payment in FY2014.

The decrease of S\$3.6 million in the Group's trade & other payables were in tandem to better control at inventory level and completion of building project by Tianjin Dansun during the year.

The decrease of S\$3.6 million in the Group's bills payable was mainly due to settlement of bill by cash payment instead of term bill in order to gain higher rebate from suppliers.

The net decrease in the Group's loans and borrowings by S\$6.9 million was mainly due to repayment of loan S\$6.5 million to holding company.

The Group's income tax payable decreased by S\$1.2 million as compared to FY2013 was mainly due to granting of Hi-Tech Enterprise status to Tat Seng Packaging (Suzhou) Co., Ltd. by government of China for further three (3) years in FY2014.

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

The Group's performance for the year under review is in line with its expectations as disclosed in the announcement of results for the year ended 31 December 2013.

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

In China, the government's stringent pollution control rules and the tightening of bank borrowing from the central bank will affect the whole business landscape.

In Singapore, the increase of raw material costs due to higher US dollars exchange rate and increase restriction on hiring of foreign worker will continue to pose challenges.

Barring unforeseen circumstances, the Management is expecting a lower growth to our Group in FY2015. Nonetheless, our Group will continue to improve operation via machinery upgrading and staff training to soften the pressure of rising business costs and intense market competition.

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\$0.01 per ordinary share
Tax Rate	Exempt (1-tier)	Exempt (1-tier)
Date Paid	Paid on 16/9/2014	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
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\$0.01 per ordinary share
Tax Rate	Exempt (1-tier)	Exempt (1-tier)
Date Paid	Paid on 16/9/2013	Paid on 16/5/2014

(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

	2014			2013		
	Singapore \$'000	PRC \$'000	Group \$'000	Singapore \$'000	PRC \$'000	Group \$'000
Turnover	36,810	187,735	224,545	40,446	175,155	215,601
Segment results	(1,395)	17,268	15,873	(509)	17,962	17,453
Finance cost			(2,443)			(2,562)
Taxation			(3,875)			(2,691)
Net profit for the year			9,555			12,200
Segment assets	22,301	172,645	194,946	25,052	176,595	201,647
Unallocated assets			1,639			1,752
Total assets			196,585			203,399
Segment liabilities	10,630	92,153	102,783	15,134	101,301	116,435
Unallocated liabilities			172			1,428
Total liabilities			102,955			117,863
Other segment information:						
Amortisation of intangible assets	3	-	3	3	-	3
Capital expenditure	2,387	5,564	7,951	2,666	6,749	9,415
Impairment / (reversal of impairment) loss on property, plant and equipment	-	-	-	86	(291)	(205)
Depreciation	785	5,127	5,912	702	4,703	5,405

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

The higher sales of PRC segment was mainly contributed by the higher demand from customers of China's subsidiaries especially Nantong Tat Seng and Tianjin Dansun.

Although turnover of PRC segment increased by 7.2% or S\$12.6 million, the contribution of PRC was reduced by S\$0.7 million as compared to FY2013 due to the higher minimum wage and all related statutory fund contributions imposed by government of China.

The consolidation of two Singapore operations has resulted reduction in turnover by 9% or S\$3.6 million and incurred additional loss of S\$0.9 million as compared to FY2013 mainly due to space and production capacity constraints in the initial consolidation process in FY2014.

16. A breakdown of sales

	2014 \$'000	2013 \$'000	% increase/ (decrease)
Sales reported for first half year	111,255	99,525	11.8%
Profit after tax reported for first half year	4,820	3,335	44.5%
Sales reported for second half year	113,290	116,076	-2.4%
Profit after tax reported for second half year	4,735	8,865	-46.6%

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

	2014 \$'000	2013 \$'000
Ordinary	3,144	1,572

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

BY ORDER OF THE BOARD

Loh See Moon
Managing Director
27 February 2015