



TAT SENG PACKAGING GROUP LTD
達 成 包 裝 集 團

Company Registration No.: 197702806M

**CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS AND FULL YEAR ENDED
31 DECEMBER 2022**

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

| | Note | The Group | | | The Group | | |
|--|------|------------------|------------------|---------|------------------|------------------|---------|
| | | 6 months ended | | Change | 12 months ended | | Change |
| | | 2022 | 2021 | | 2022 | 2021 | |
| | | \$'000 | \$'000 | % | \$'000 | \$'000 | % |
| Revenue | 4.2 | 160,826 | 191,495 | -16.0% | 336,264 | 367,513 | -8.5% |
| Cost of sales | | (132,602) | (157,464) | -15.8% | (277,326) | (298,344) | -7.0% |
| Gross profit | | 28,224 | 34,031 | -17.1% | 58,938 | 69,169 | -14.8% |
| Other income | | 1,774 | 1,570 | 13.0% | 3,550 | 2,655 | 33.7% |
| Distribution and selling expenses | | (9,231) | (10,156) | -9.1% | (18,801) | (19,924) | -5.6% |
| General and administrative expenses | | (8,530) | (8,465) | 0.8% | (17,706) | (18,590) | -4.8% |
| Allowances made for impairment losses of trade and other receivables (net) | | (98) | (60) | 63.3% | (216) | (107) | 101.9% |
| Other expenses | | (177) | (263) | -32.7% | (356) | (504) | -29.4% |
| Results from operating activities | | 11,962 | 16,657 | -28.2% | 25,409 | 32,699 | -22.3% |
| Finance costs | | (676) | (880) | -23.2% | (1,610) | (1,652) | -2.5% |
| Profit before tax | 5 | 11,286 | 15,777 | -28.5% | 23,799 | 31,047 | -23.3% |
| Tax expense | 6 | (1,277) | (2,411) | -47.0% | (2,623) | (5,751) | -54.4% |
| Profit for the period/year | | 10,009 | 13,366 | -25.1% | 21,176 | 25,296 | -16.3% |
| Profit attributable to: | | | | | | | |
| Owners of the Company | | 9,780 | 12,443 | -21.4% | 20,668 | 23,313 | -11.3% |
| Non-controlling interests | | 229 | 923 | -75.2% | 508 | 1,983 | -74.4% |
| Profit for the period/year | | 10,009 | 13,366 | | 21,176 | 25,296 | |
| Consolidated Statement of Comprehensive Income | | | | | | | |
| Profit for the period/year | | 10,009 | 13,366 | -25.1% | 21,176 | 25,296 | -16.3% |
| Other comprehensive income: | | | | | | | |
| Items that are or may be reclassified subsequently to profit or loss: | | | | | | | |
| Foreign currency translation differences | | (10,368) | 2,768 | NM | (13,687) | 6,215 | NM |
| Effective portion of changes in fair value of cash flow hedges | | - | 1 | -100.0% | - | 3 | -100.0% |
| Total other comprehensive (loss)/income for the period/year, net of tax | | (10,368) | 2,769 | NM | (13,687) | 6,218 | NM |
| Total comprehensive (loss)/income for the period/year | | (359) | 16,135 | NM | 7,489 | 31,514 | -76.2% |
| Total comprehensive (loss)/income attributable to: | | | | | | | |
| Owners of the Company | | 268 | 14,975 | -98.2% | 8,124 | 29,012 | -72.0% |
| Non-controlling interests | | (627) | 1,160 | NM | (635) | 2,502 | NM |
| Total comprehensive (loss)/income for the period/year | | (359) | 16,135 | | 7,489 | 31,514 | |
| Earnings per share for profit for the period/year attributable to the owners of the Company during the period/year: | | | | | | | |
| Basic and diluted earnings per ordinary share (in cents) ¹ | | 6.22 | 7.92 | | 13.15 | 14.83 | |

¹ The diluted earnings per ordinary share is the same as the basic earnings per ordinary share as there are no dilutive instruments in issue during the period/year.

NM - Not Meaningful

B. Condensed interim statements of financial position

| | Note | The Group | | The Company | |
|---|------|----------------|----------------|---------------|---------------|
| | | As at | As at | As at | As at |
| | | 31-Dec-22 | 31-Dec-21 | 31-Dec-22 | 31-Dec-21 |
| | | \$'000 | \$'000 | \$'000 | \$'000 |
| Non-current assets | | | | | |
| Property, plant and equipment | 9 | 87,895 | 86,068 | 13,822 | 1,853 |
| Right-of-use assets | | 7,130 | 1,240 | 6,493 | 595 |
| Investment in subsidiaries | | - | - | 28,942 | 29,321 |
| Intangible assets | | 1,065 | 1,167 | - | - |
| Deferred tax assets | | 3,662 | 3,644 | 1,708 | 1,866 |
| Trade and other receivables | | 17 | 37 | - | - |
| | | 99,769 | 92,156 | 50,965 | 33,635 |
| Current assets | | | | | |
| Inventories | | 27,671 | 42,682 | 72 | 75 |
| Trade and other receivables | | 97,652 | 112,591 | 5,352 | 9,733 |
| Cash and cash equivalents | | 82,784 | 93,703 | 19,303 | 31,390 |
| | | 208,107 | 248,976 | 24,727 | 41,198 |
| Current liabilities | | | | | |
| Trade and other payables | | 42,831 | 53,043 | 6,351 | 8,661 |
| Lease liabilities | | 409 | 1,010 | 296 | 877 |
| Loans and borrowings | 10 | 55,935 | 80,203 | - | - |
| Deferred income | | 276 | 302 | 4 | 4 |
| Current tax liabilities | | 710 | 1,212 | - | - |
| | | 100,161 | 135,770 | 6,651 | 9,542 |
| Net current assets | | | | | |
| | | 107,946 | 113,206 | 18,076 | 31,656 |
| Non-current liabilities | | | | | |
| Deferred income | | 1,295 | 1,721 | 11 | 15 |
| Lease liabilities | | 6,526 | 505 | 6,004 | - |
| Loans and borrowings | 10 | - | 3,816 | - | - |
| Deferred tax liabilities | | 2,904 | 3,312 | - | - |
| | | 10,725 | 9,354 | 6,015 | 15 |
| Net assets | | | | | |
| | | 196,990 | 196,008 | 63,026 | 65,276 |
| Equity attributable to owners of the Company | | | | | |
| Share capital | 12 | 31,440 | 31,440 | 31,440 | 31,440 |
| Retained earnings | | 145,319 | 131,000 | 31,586 | 33,836 |
| Capital reserve | | 3,566 | 3,566 | - | - |
| Statutory reserve fund | | 13,669 | 13,607 | - | - |
| Foreign currency translation reserve | | (8,794) | 3,750 | - | - |
| | | 185,200 | 183,363 | 63,026 | 65,276 |
| Non-controlling interests | | 11,790 | 12,645 | - | - |
| Total equity | | 196,990 | 196,008 | 63,026 | 65,276 |

C. Condensed interim statements of changes in equity

| Group | Share capital | Capital reserve | Statutory reserve fund | Hedging reserve | Foreign currency translation reserve | Retained earnings | Total | Non-controlling interests | Total Equity |
|--|---------------|-----------------|------------------------|-----------------|--------------------------------------|-------------------|----------------|---------------------------|-----------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| At 1/1/2021 | 31,440 | 3,566 | 13,237 | (3) | (1,946) | 113,559 | 159,853 | 10,749 | 170,602 |
| Total comprehensive income for the year | | | | | | | | | |
| Profit for the year | - | - | - | - | - | 23,313 | 23,313 | 1,983 | 25,296 |
| Other comprehensive income | | | | | | | | | |
| Foreign currency translation differences | - | - | - | - | 5,696 | - | 5,696 | 519 | 6,215 |
| Effective portion of changes in fair value of cash flow hedges | - | - | - | 3 | - | - | 3 | - | 3 |
| Total comprehensive income for the year | - | - | - | 3 | 5,696 | 23,313 | 29,012 | 2,502 | 31,514 |
| Transaction with owners of the Company, recognised directly in equity | | | | | | | | | |
| Distributions to owners of the Company | | | | | | | | | |
| Dividends to owners of the Company | - | - | - | - | - | (5,502) | (5,502) | (606) | (6,108) |
| Total distributions to owners of the Company | - | - | - | - | - | (5,502) | (5,502) | (606) | (6,108) |
| Transfer between reserves | | | | | | | | | |
| Appropriation of retained earnings to statutory reserve fund | - | - | 370 | - | - | (370) | - | - | - |
| At 31/12/2021 | 31,440 | 3,566 | 13,607 | - | 3,750 | 131,000 | 183,363 | 12,645 | 196,008 |
| At 1/1/2022 | 31,440 | 3,566 | 13,607 | - | 3,750 | 131,000 | 183,363 | 12,645 | 196,008 |
| Total comprehensive income for the year | | | | | | | | | |
| Profit for the year | - | - | - | - | - | 20,668 | 20,668 | 508 | 21,176 |
| Other comprehensive income | | | | | | | | | |
| Foreign currency translation differences | - | - | - | - | (12,544) | - | (12,544) | (1,143) | (13,687) |
| Total comprehensive income for the year | - | - | - | - | (12,544) | 20,668 | 8,124 | (635) | 7,489 |
| Transaction with owners of the Company, recognised directly in equity | | | | | | | | | |
| Distributions to owners of the Company | | | | | | | | | |
| Unclaimed dividend reversed | - | - | - | - | - | 1 | 1 | - | 1 |
| Dividends to owners of the Company | - | - | - | - | - | (6,288) | (6,288) | (220) | (6,508) |
| Total distributions to owners of the Company | - | - | - | - | - | (6,287) | (6,287) | (220) | (6,507) |
| Transfer between reserves | | | | | | | | | |
| Appropriation of retained earnings to statutory reserve fund | - | - | 62 | - | - | (62) | - | - | - |
| At 31/12/2022 | 31,440 | 3,566 | 13,669 | - | (8,794) | 145,319 | 185,200 | 11,790 | 196,990 |

| | Share capital | Retained earnings | Total Equity |
|--|---------------|-------------------|----------------|
| | \$'000 | \$'000 | \$'000 |
| Company | | | |
| At 1/1/2021 | 31,440 | 16,049 | 47,489 |
| Total comprehensive income for the year | | | |
| Profit for the year | - | 23,289 | 23,289 |
| Total comprehensive income for the year | - | 23,289 | 23,289 |
| Transactions with owners, recognised directly in equity | | | |
| Dividends to owners of the Company | - | (5,502) | (5,502) |
| Total contributions by and distributions to owners/Total transactions with owners | - | (5,502) | (5,502) |
| At 31/12/2021 | 31,440 | 33,836 | 65,276 |
| At 1/1/2022 | 31,440 | 33,836 | 65,276 |
| Total comprehensive income for the year | | | |
| Profit for the year | - | 4,037 | 4,037 |
| Total comprehensive income for the year | - | 4,037 | 4,037 |
| Transactions with owners, recognised directly in equity | | | |
| Unclaimed dividend reversed | - | 1 | 1 |
| Dividends to owners of the Company | - | (6,288) | (6,288) |
| Total contributions by and distributions to owners/Total transactions with owners | - | (6,287) | (6,287) |
| At 31/12/2022 | 31,440 | 31,586 | 63,026 |

D. Condensed interim consolidated statement of cash flows

| | The Group | |
|--|------------------------|-----------------|
| | 12 months ended | |
| | 31 December | |
| | 2022 | 2021 |
| | \$'000 | \$'000 |
| Cash flows from operating activities | | |
| Profit before tax | 23,799 | 31,047 |
| Adjustments for: | | |
| Amortisation of deferred income | (292) | (426) |
| Depreciation of property, plant and equipment | 10,435 | 10,020 |
| Depreciation of right-of-use assets | 573 | 1,379 |
| Property, plant and equipment written off | 138 | 13 |
| Net loss on disposal of property, plant and equipment | 137 | 126 |
| Net gain on derecognition of right-of-use assets | (262) | - |
| Allowances made for impairment losses of trade and other receivables (net) | 216 | 107 |
| Inventories written down | 686 | 45 |
| Interest expense | 1,458 | 1,433 |
| Interest income | (919) | (605) |
| Net effect of exchange differences | (279) | (141) |
| | 35,690 | 42,998 |
| Changes in: | | |
| - Inventories | 11,629 | (12,284) |
| - Trade and other receivables | 6,001 | (5,010) |
| - Trade and other payables | (6,406) | (1,929) |
| Cash generated from operations | 46,914 | 23,775 |
| Taxes paid (net) | (3,677) | (5,372) |
| Net cash from operating activities | 43,237 | 18,403 |
| Cash flows from investing activities | | |
| Interest received | 854 | 597 |
| Acquisition of property, plant and equipment | (19,641) | (9,110) |
| Proceeds from disposal of property, plant and equipment | 296 | 137 |
| Net cash used in investing activities | (18,491) | (8,376) |
| Cash flows from financing activities | | |
| Interest paid | (1,627) | (1,552) |
| Proceeds from loans and borrowings | 126,965 | 135,841 |
| Repayment of loans and borrowings | (148,801) | (117,100) |
| Payment of lease liabilities | (494) | (1,949) |
| Decrease/(increase) in pledged deposit | 3,015 | (3,591) |
| Dividend paid to non-controlling interests | (220) | (606) |
| Dividends paid | (6,288) | (5,502) |
| Net cash (used in)/from financing activities | (27,450) | 5,541 |
| Net (decrease)/increase in cash and cash equivalents | (2,704) | 15,568 |
| Cash and cash equivalents at 1 January | 77,845 | 60,423 |
| Effect of exchange rate fluctuations on cash held | (3,958) | 1,854 |
| Cash and cash equivalents at 31 Dec | 71,183 | 77,845 |
| Cash and cash equivalents at end of year comprise of:- | | |
| Fixed deposits | 21,450 | 16,950 |
| Cash and bank balances | 61,334 | 76,753 |
| Cash and bank balances pledged as security for bills payable | (11,601) | (15,858) |
| | 71,183 | 77,845 |

E. Notes to the condensed interim consolidated financial statements

1. Corporate information

Tat Seng Packaging Group Ltd (the "Company") is incorporated and domiciled in Singapore and whose shares are publicly traded on the Mainboard of the Singapore Exchange. These condensed interim consolidated financial statements as at and for the six months and year ended 31 December 2022 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities"). The Group is primarily involved in the manufacturing and sales of corrugated paper products and other packaging products.

2. Basis of Preparation

The condensed interim financial statements for six months and year ended 31 December 2022 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last interim financial statements for the period ended 30 June 2022.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore dollar which is the Company's functional currency.

2.1. New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period/year. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2. Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2021.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There is no information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements.

Management is of the opinion that there is no instance of application of judgment which is expected to have a significant impact on the amounts recognised in the Group's condensed interim financial statements for six months and year ended 31 December 2022.

2.3. Measurement of fair values

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group's financial derivatives liabilities are measured at Level 2 as at 31 December 2022 and 31 December 2021.

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial year.

4. Segment and revenue information

The Group has two reportable segments which are geographical segments namely Singapore and People's Republic of China ("PRC"). These geographical segments are managed separately because they require different marketing strategies and bear different financial and business risks.

Geographical segments are defined based on the location of the Group's assets. Sales to external customers disclosed in geographical segments are based on the geographical location of its customers. These operating businesses are organised and managed separately with each segment representing a strategic business unit that serves different markets.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly income tax and deferred tax assets and liabilities. Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

4.1. Reportable segments

For the six months period

| | 1 July 2022 to 31 December 2022 | | | 1 July 2021 to 31 December 2021 | | |
|---|---------------------------------|---------------|-----------------|---------------------------------|---------------|-----------------|
| | Singapore \$'000 | PRC \$'000 | Group \$'000 | Singapore \$'000 | PRC \$'000 | Group \$'000 |
| Revenue from external parties | 26,660 | 134,166 | 160,826 | 28,506 | 162,989 | 191,495 |
| Segment results | 1,111 | 10,851 | 11,962 | 1,034 | 15,623 | 16,657 |
| Finance cost | (107) | (569) | (676) | (50) | (830) | (880) |
| Taxation | | | (1,277) | | | (2,411) |
| Net profit for the period | | | 10,009 | | | 13,366 |
| Segment assets | 70,951 | 233,263 | 304,214 | 63,758 | 273,730 | 337,488 |
| Unallocated assets | | | 3,662 | | | 3,644 |
| Total assets | | | 307,876 | | | 341,132 |
| Segment liabilities | 15,386 | 91,886 | 107,272 | 11,625 | 128,974 | 140,599 |
| Unallocated liabilities | | | 3,614 | | | 4,525 |
| Total liabilities | | | 110,886 | | | 145,124 |
| Other segment information: | | | | | | |
| Capital expenditure | 505 | 3,667 | 4,172 | 2,013 | 5,081 | 7,094 |
| Depreciation of property, plant and equipment | 1,237 | 3,990 | 5,227 | 844 | 4,272 | 5,116 |
| Depreciation of right-of-use assets | 254 | 15 | 269 | 672 | 17 | 689 |

For the year

| | 1 January 2022 to 31 December 2022 | | | 1 January 2021 to 31 December 2021 | | |
|---|------------------------------------|---------------|-----------------|------------------------------------|---------------|-----------------|
| | Singapore \$'000 | PRC \$'000 | Group \$'000 | Singapore \$'000 | PRC \$'000 | Group \$'000 |
| Revenue from external parties | 54,621 | 281,643 | 336,264 | 53,907 | 313,606 | 367,513 |
| Segment results | 1,278 | 24,131 | 25,409 | 2,056 | 30,643 | 32,699 |
| Finance cost | (224) | (1,386) | (1,610) | (129) | (1,523) | (1,652) |
| Taxation | | | (2,623) | | | (5,751) |
| Net profit for the year | | | 21,176 | | | 25,296 |
| Segment assets | 70,951 | 233,263 | 304,214 | 63,758 | 273,730 | 337,488 |
| Unallocated assets | | | 3,662 | | | 3,644 |
| Total assets | | | 307,876 | | | 341,132 |
| Segment liabilities | 15,386 | 91,886 | 107,272 | 11,625 | 128,974 | 140,599 |
| Unallocated liabilities | | | 3,614 | | | 4,525 |
| Total liabilities | | | 110,886 | | | 145,124 |
| Other segment information: | | | | | | |
| Capital expenditure | 13,850 | 5,557 | 19,407 | 2,336 | 6,677 | 9,013 |
| Depreciation of property, plant and equipment | 2,511 | 7,924 | 10,435 | 1,669 | 8,351 | 10,020 |
| Depreciation of right-of-use assets | 542 | 31 | 573 | 1,347 | 32 | 1,379 |

Please refer to Section 2 of Other information required by Listing Rule Appendix 7.2 for additional information.

4.2. Disaggregation of Revenue

The Group derives revenue from the transfer of goods and services at a point in time only.

5. Profit before taxation

5.1. Significant items

| | The Group | | | |
|--|-------------------------------|----------------|--------------------------------|----------------|
| | 6 months ended 31 December | | 12 months ended 31 December | |
| | 2022 \$'000 | 2021 \$'000 | 2022 \$'000 | 2021 \$'000 |
| Interest income from fixed deposit and others | (530) | (366) | (919) | (605) |
| Interest expense | 605 | 788 | 1,458 | 1,433 |
| Depreciation of property, plant and equipment | 5,227 | 5,116 | 10,435 | 10,020 |
| Depreciation of right-of-use assets | 269 | 689 | 573 | 1,379 |
| Property, plant and equipment written off | 86 | 9 | 138 | 13 |
| (Gain)/loss on disposal of property, plant and equipment (net) | (16) | 18 | 137 | 126 |
| Gain on derecognition of right-of-use assets (net) | (3) | - | (262) | - |
| Amortisation of deferred income | (142) | (152) | (292) | (426) |
| Inventories written down | 569 | 36 | 686 | 45 |
| (Gain)/loss on foreign exchange (net) | (380) | 266 | (869) | 161 |

5.2. Related party transactions

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

| | The Group 6 months ended 31 December | | The Company 6 months ended 31 December | | The Group 12 months ended 31 December | | The Company 12 months ended 31 December | |
|-----------------------|--|----------------|--|----------------|---|----------------|---|----------------|
| | 2022 \$'000 | 2021 \$'000 | 2022 \$'000 | 2021 \$'000 | 2022 \$'000 | 2021 \$'000 | 2022 \$'000 | 2021 \$'000 |
| Holding company: | | | | | | | | |
| Corporate service fee | 8 | - | 8 | - | 8 | - | 8 | - |
| Subsidiaries: | | | | | | | | |
| Services rendered | - | - | (445) | (449) | - | - | (906) | (910) |
| Management fee income | - | - | (250) | (256) | - | - | (496) | (525) |
| Dividend income | - | - | (4,889) | (16,046) | - | - | (4,889) | (25,346) |
| Purchases | - | - | 11,484 | 11,824 | - | - | 23,419 | 22,301 |
| Related parties: | | | | | | | | |
| Sales | (819) | (679) | (819) | (689) | (1,420) | (718) | (1,420) | (718) |

6. Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

| | The Group | | | |
|---|-------------------------------|----------------|--------------------------------|----------------|
| | 6 months ended 31 December | | 12 months ended 31 December | |
| | 2022 \$'000 | 2021 \$'000 | 2022 \$'000 | 2021 \$'000 |
| Current period/year income tax | 1,370 | 2,405 | 3,317 | 5,633 |
| (Over)/under provision of tax in respect of prior period/years | (18) | 1 | (90) | 40 |
| Current period/year deferred tax | (131) | (2) | (665) | 283 |
| Under/(over) provision of deferred tax in respect of prior period/years | 56 | 7 | 61 | (205) |
| | 1,277 | 2,411 | 2,623 | 5,751 |

7. Dividends

| | The Group 12 months ended 31 December | |
|---|---|----------------|
| | 2022 \$'000 | 2021 \$'000 |
| Paid by the Company to owner of the Company | | |
| Special exempt (one-tier) dividend at \$Nil (2021: \$0.01) per ordinary share in respect of the previous financial year | - | 1,572 |
| Final exempt (one-tier) dividend at \$0.025 (2021: \$0.01) per ordinary share in respect of the previous financial year | 3,930 | 1,572 |
| Interim exempt (one-tier) dividend at \$0.015 (2021: \$0.015) per ordinary share in respect of the current financial year | 2,358 | 2,358 |
| | 6,288 | 5,502 |
| Paid by subsidiary to NCI | | |
| Dividends in respect of the current financial year | 220 | 606 |

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

| | The Group 12 months ended 31 December | |
|-----------------------|---|----------------|
| | 2022 \$'000 | 2021 \$'000 |
| Interim cash dividend | 2,358 | 2,358 |
| Final cash dividend | 3,930* | 3,930 |
| Total annual dividend | 6,288 | 6,288 |

*To be approved by shareholders at the forthcoming AGM

8. Net Asset Value

| | The Group | | The Company | |
|---|--------------------|--------------------|--------------------|--------------------|
| | As at 31-Dec-22 | As at 31-Dec-21 | As at 31-Dec-22 | As at 31-Dec-21 |
| Net asset value per ordinary share based on no. of ordinary share of the Company (in cents) | 117.81 | 116.64 | 40.09 | 41.52 |

9. Property, plant and equipment

During the six months ended 31 December 2022, the Group acquired assets amounting to S\$4,172,204 (2021: S\$7,094,444) and disposed/write off of assets with net book value amounting to S\$86,841 (2021: S\$91,563).

During the year ended 31 December 2022, the Group acquired assets amounting to S\$19,407,279 (2021: S\$9,013,136) and disposed/write off of assets with net book value amounting to S\$571,235 (2021: S\$275,946).

10. Loans and borrowings

| | The Group | | The Group | |
|--|-------------------|---------------------|-------------------|---------------------|
| | As at 31-Dec-22 | | As at 31-Dec-21 | |
| | Secured \$'000 | Unsecured \$'000 | Secured \$'000 | Unsecured \$'000 |
| Amount repayable in one year or less, or on demand | 46,268 | 9,667 | 55,137 | 25,066 |
| Amount repayable after one year | - | - | 3,816 | - |

Details of any collateral

The Group's loans and borrowings are secured by certain property, plant and equipment with net book value of approximately S\$27.6 million (31.12.2021: S\$33.7 million) and cash and cash equivalents amounting to S\$11.6 million (31.12.2021: S\$15.9 million).

11. Commitments

Capital commitments

Capital expenditure contracted for as at the reporting date but not recognised in the financial statements are as follows:

| | The Group | | The Company | |
|---|------------------------------|------------------------------|------------------------------|------------------------------|
| | As at 31-Dec-22 \$'000 | As at 31-Dec-21 \$'000 | As at 31-Dec-22 \$'000 | As at 31-Dec-21 \$'000 |
| Capital commitments in respect of purchase of property, plant and equipment | 1,858 | 1,043 | 50 | 450 |

12. Share capital

| | The Group | | The Company | |
|---------------------------|-----------------------------|------------------|-----------------------------|------------------|
| | As at 31-Dec-22 | | As at 31-Dec-21 | |
| | Number of shares '000 | Amount \$'000 | Number of shares '000 | Amount \$'000 |
| Beginning/end of the year | 157,200 | 31,440 | 157,200 | 31,440 |

Since the end of 31 December 2021, there has been no change in the Company's share capital arising from rights issue, bonus issue, subdivision, consolidation, shares buy-back, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose.

There were also no outstanding convertibles for which shares may be issued. Neither was there any treasury shares being transferred, transacted, cancelled or held by the Company during or as at the end of the current financial year and previous financial year.

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

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

There were no sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial year reported on.

13. Subsequent events

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

**Other Information Required by Listing Rule
Appendix 7.2**

OTHER INFORMATION

1. Review

The condensed consolidated statement of financial position of Tat Seng Packaging Group Ltd and its subsidiaries as at 31 December 2022 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-months period and year then ended and certain explanatory notes have not been audited or reviewed.

2. Review of performance of the Group

2a. Condensed interim consolidated statement of profit or loss and other comprehensive income

FY 2022 VS FY 2021

The Group registered revenue of S\$336.3 million in FY2022, a decrease of 8.5% or S\$31.2 million as compared to S\$367.5 million in FY2021.

Total revenue achieved by the Singapore operations in FY2022 increased by 1.3% or S\$0.7 million from S\$53.9 million in FY2021 mainly due to higher selling price while the increase is offset by the reduction of total sales volume (sqm) of Singapore's operations by 7.5%.

Total revenue of China's operations decreased by 10.2% or S\$31.9 million from S\$313.6 million in the Group's reporting currency in FY2022 as compared to FY2021. The decrease was mainly due to reduction of total sales volume (sqm) of China's operations by 11.0% that resulted from the tightened COVID-19 curbs in China regions. However, it was partially offset by the increase in selling price.

The Group's gross profit decreased by 14.8% or S\$10.2 million to S\$58.9 million in FY2022 as compared to FY2021. The decrease was mainly due to the drop in demand amid the weak economic performance and partially attributable to the increase in energy costs.

Other income increased by 33.7% or S\$0.9 million mainly due to increase of foreign exchange gain which resulted from the exposure of trade receivables that denominated in United States Dollars ("USD").

Tax expense decreased by 54.4% or S\$3.1 million mainly due to lower provision for income tax expenses which in line with lower profit before tax achieved for FY2022 as compared to FY2021, and the reduction of deferred tax.

As a result, the net profit attributable to owners of the Company decreased by 11.3% or S\$2.6 million in FY2022 as compared to FY2021.

2H 2022 VS 2H 2021

The Group generated revenue of S\$160.8 million in 2H2022, a decrease of 16.0% or S\$30.7 million as compared to S\$191.5 million in 2H2021.

Total revenue achieved by the Singapore operations in 2H2022 decreased by 6.5% or S\$1.9 million from S\$28.5 million in 2H2021 mainly due to decrease in market demand while the total sales volume (sqm) of Singapore's operations decreased by 14.6%. However, it was partially by increase in selling price.

Total revenue of China's operations decreased by 17.7% or S\$28.8 million in the Group's reporting currency in 2H2022 as compared to 2H2021. The decrease was mainly due to reduction of total sales volume (sqm) of China's operations by 11.2% that resulted from the tightened COVID-19 curbs in China regions. In addition, the decrease was partially attributed from weakening of Renminbi ("RMB") against Singapore Dollars ("SGD").

The Group's gross profit decreased by 17.1% or S\$5.8 million to S\$28.2 million in 2H2022 as compared to 2H2021. The decrease was mainly due to the drop in demand amid the weak economic performance and partially attributable to the increase in energy costs.

Distribution and selling expenses decreased by 9.1% or S\$0.9 million mainly due to decrease of carriage outwards in 2H2022 as compared to 2H2021.

Tax expense decreased by S\$1.1 million mainly due to lower provision of income tax expenses which in line with lower profit before tax achieved for 2H2022 as compared to 2H2021.

As a result, the net profit attributable to owners of the Company decreased by S\$2.7 million or 21.4% in 2H2022 as compared to 2H2021.

2b. Statement of financial position

Property, plant and equipment increased by S\$1.8 million mainly due to acquisition of property located at 28 Senoko Drive while partially offset by depreciation charged during the year and the weakening of RMB against SGD.

Right-of-use assets increased by S\$5.9 million mainly due to recognition of right-of-use assets arising from land lease of 28 Senoko Drive.

Inventories decreased by S\$15.0 million mainly due to better management control on inventory level and drop in raw material price as at year end. The decrease was partially attributed to the weakening of RMB against SGD.

Current trade and other receivables decreased by S\$14.9 million mainly due to the weakening of RMB against SGD and partly attributed to reduction in revenue.

Trade and other payables decreased by S\$10.2 million mainly due to lower trade payables in line with reduction of revenue. The decrease was partly attributed to the weakening of RMB against SGD and reduction of provision for profit sharing bonus as compared to FY2021.

Total short term and long term loans and borrowings decreased by S\$28.1 million mainly due to net repayment of loans and borrowings during the year.

Total short term and long term lease liabilities increased by S\$5.4 million mainly due to recognition of lease liabilities arising from land lease of 28 Senoko Drive.

Foreign currency translation reserve decreased by S\$12.5 million due to weakening of RMB against SGD.

2c. Condensed interim consolidated statement of cash flows

The net cash from operating activities of S\$43.2 million was mainly due to operating profit and net increase in working capital.

The net cash used in investing activities of S\$18.5 million was mainly due to acquisition of property, plant and equipment.

The net cash used in financing activities of S\$27.5 million was mainly due to net repayment of loans and borrowings and payment of dividend during the year.

As a result of the above activities and couple with unfavourable effect of exchange rate fluctuations on cash held by China subsidiaries, the Group cash and cash equivalents excluding bank balances pledged as security decreased by S\$6.7 million to S\$71.2 million.

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

No forecast was provided previously.

4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next operating period and the next 12 months

The heightened inflation rate, supply chain disruptions, the increase of interest rates and falling export in China will continue to affect the business environment in which the Group operates.

Meanwhile, the Group will strive to capture new business opportunities by satisfying the new packaging requirements of MNC customers. The Group will also continue to adopt prudent financial management and cost control and explore suitable business and investment opportunities to drive our sustainable business growth.

5. Dividend information**5a. Current Financial Year Reported On**

Any dividend recommended for the current financial year reported on? Yes

| | | |
|-----------------------------|------------------------------------|---|
| Name of Dividend : | Interim Ordinary | Final |
| Dividend Type : | Cash; Tax exempt (1-tier) dividend | Cash; Tax exempt (1-tier) dividend |
| Dividend Amount Per Share : | S\$0.015 per ordinary share | S\$0.025 per ordinary share |
| Tax Rate : | Exempt (1-tier) | Exempt (1-tier) |
| Date Paid | Paid on 27/9/2022 | To be approved by shareholders at the forthcoming AGM |

5b. Corresponding Period of the Immediately Preceding Financial Year

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

| | | |
|-----------------------------|------------------------------------|------------------------------------|
| Name of Dividend : | Interim Ordinary | Final |
| Dividend Type : | Cash; Tax exempt (1-tier) dividend | Cash; Tax exempt (1-tier) dividend |
| Dividend Amount Per Share : | S\$0.015 per ordinary share | S\$0.025 per ordinary share |
| Tax Rate : | Exempt (1-tier) | Exempt (1-tier) |
| Date Paid | Paid on 27/9/2021 | Paid on 27/5/2022 |

5c. Date Payable 26 May 2023

5d. Record Date 12 May 2023

6. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.

Not applicable

7. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group has not obtained a general mandate from shareholders of the Company for Interested Person Transactions. The aggregate value of the interested person transactions conducted during the year is disclosed below.

| Name of Interested person | Nature of relationship | Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) | Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000) |
|--|--------------------------------------|---|---|
| Tee Yih Jia Food Manufacturing Pte Ltd | Associate of Director of the Company | \$1,286,060 | Nil |

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

The Company has received undertaking from all its directors and executive officers in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST.

9. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

There are no persons occupying managerial positions in the Company or any of its principal subsidiaries who are a relative to a Director, Chief Executive Officer or Substantial Shareholder of the Company.

10. Disclosure pursuant to Rule 706A of the Listing Manual

There were no changes to the Company's and the Group's shareholding percentage in its respective subsidiaries or associated companies nor incorporation of any new subsidiary or associate by the Company or any of the Group's entities.

On behalf of the Board of Directors

Loh See Moon
Managing Director
24 February 2023