

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".



Full Year 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

| | Group | | |
|--|------------------------|----------|-----------------|
| | S\$'000 | | % |
| | 12 months ended 31 Dec | | incr/ (decr) |
| | 2019 | 2018 | |
| Revenue | 174,459 | 165,608 | 5.3 |
| Investment income | - | - | - |
| Other income including interest income :- | 1,566 | 1,122 | 39.6 |
| (i) Gain on sale of plant & equipment included in other income | 64 | 45 | n.m |
| (ii) Interest income | 378 | 294 | 28.6 |
| (iii) Other income | 1,124 | 783 | 43.6 |
| Changes in inventories of FG & WIP | 187 | 114 | 64.0 |
| (i) (Allowance for) write-back of inventories | (8) | (15) | (46.7) |
| Raw materials and consumables used :- | (44,665) | (46,416) | (3.8) |
| (i) Write-back of (allowance for) inventories | 2 | 23 | (91.3) |
| Staff costs | (52,179) | (45,819) | 13.9 |
| Depreciation, amortisation and impairment expenses | (19,451) | (9,917) | 96.1 |
| Interest on borrowings | (802) | (224) | 258.0 |
| Other operating expenses :- | (46,018) | (53,307) | (13.7) |
| (i) Foreign exchange (loss) gain | 74 | 373 | (80.2) |
| (ii) Allowance for doubtful debts | (1) | - | n.m |
| (ii) Bad debts written off | (9) | (9) | n.m |
| Exceptional items | - | - | - |
| 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 | 13,097 | 11,161 | 17.3 |

Income statement (continued)

| | Group | | % |
|--|------------------------|---------|-----------------|
| | S\$'000 | | |
| | 12 months ended 31 Dec | | |
| | 2019 | 2018 | incr/ (decr) |
| Loss from associated companies | - | - | - |
| (Loss) profit from joint venture | 210 | 232 | (9.5) |
| Operating profit before income tax | 13,307 | 11,393 | 16.8 |
| Less income tax :- | (2,409) | (2,965) | (18.8) |
| (i) Adjustment for over provision of tax in respect of prior periods. | 198 | 9 | n.m |
| Profit for the period | 10,898 | 8,428 | 29.3 |
| Attributable to :- | | | |
| Owners of the company | 8,966 | 7,109 | 26.1 |
| Non-controlling interests | 1,932 | 1,319 | 46.5 |

Statement of Comprehensive Income

| | Group | | % |
|---|------------------------|---------|-----------------|
| | S\$'000 | | |
| | 12 months ended 31 Dec | | |
| | 2019 | 2018 | incr/ (decr) |
| Profit for the period | 10,898 | 8,428 | 29.3 |
| Other comprehensive income :- | | | |
| Items that will not be reclassified subsequently to profit or loss :- | | | |
| (i) Remeasurement of defined benefit obligation | 11 | 39 | n.m |
| Items that may be reclassified subsequently to profit or loss :- | | | |
| (i) Foreign currency translation | (1,404) | (1,149) | 22.2 |
| Other comprehensive income for the period | (1,393) | (1,110) | 25.5 |
| Total comprehensive income for the period | 9,505 | 7,318 | 29.9 |
| The comprehensive income attributable to :- | | | |
| Owners of the Company | 7,699 | 5,999 | 28.3 |
| Non-controlling Interests | 1,806 | 1,319 | 36.9 |

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 | Previous | Actual | Previous |
| | 31-Dec-19 \$'000 | 31-Dec-18 \$'000 | 31-Dec-19 \$'000 | 31-Dec-18 \$'000 |
| ASSETS | | | | |
| Current assets: | | | | |
| Cash and cash equivalents | 47,088 | 36,052 | 5,807 | 5,422 |
| Trade and other receivables | 46,623 | 46,999 | 10,701 | 10,832 |
| Inventories | 14,915 | 13,429 | - | - |
| Total current assets | 108,626 | 96,480 | 16,508 | 16,254 |
| Non-current assets: | | | | |
| Other assets | 5,897 | 2,703 | - | - |
| Financial Derivatives | - | - | 926 | - |
| Joint venture | 4,376 | 4,179 | 4,216 | 4,216 |
| Subsidiaries | - | - | 28,248 | 19,797 |
| Property, plant and equipment | 69,316 | 72,563 | 29,867 | 34,213 |
| Investment properties | 5,183 | 4,240 | 3,331 | 2,357 |
| Right-of-use assets | 13,731 | - | - | - |
| Land use rights | 6,108 | 6,400 | 5,757 | 6,022 |
| Intangible assets | 4,109 | - | - | - |
| Goodwill | 9,093 | 6,691 | - | - |
| Deferred tax assets | 346 | 284 | - | - |
| Total non-current assets | 118,159 | 97,060 | 72,345 | 66,605 |
| Total assets | 226,785 | 193,540 | 88,853 | 82,859 |
| LIABILITIES AND EQUITY | | | | |
| Current liabilities: | | | | |
| Trade and other payables | 30,845 | 25,992 | 9,576 | 8,859 |
| Bank loans | 5,802 | - | 5,480 | - |
| Leases liabilities* | 6,885 | 995 | 20 | 20 |
| Income tax payable | 3,218 | 2,655 | 748 | 701 |
| Total current liabilities | 46,750.00 | 29,642.00 | 15,824.00 | 9,580.00 |
| Non-current liabilities: | | | | |
| Other payables | 3,667 | - | - | - |
| Bank loans | 1,241 | - | - | - |
| Leases liabilities* | 10,664 | 3,305 | 31 | 51 |
| Deferred tax liabilities | 2,639 | 2,742 | 755 | 856 |
| Post employment benefits | 527 | 490 | - | - |
| Total non-current liabilities | 18,738 | 6,537 | 786 | 907 |
| Capital, reserves and non-controlling interests: | | | | |
| Share capital | 23,852 | 23,852 | 23,852 | 23,852 |
| Statutory surplus reserve | 3,197 | 3,015 | - | - |
| Capital Reserve | (4,241) | - | - | - |
| Retained earnings | 133,298 | 128,078 | 48,391 | 48,520 |
| Currency translation reserve | (3,395) | (2,117) | - | - |
| Equity attributable to owners of the company | 152,711 | 152,828 | 72,243 | 72,372 |
| Non-controlling interests | 8,586 | 4,533 | - | - |
| Total equity | 161,297 | 157,361 | 72,243 | 72,372 |
| Total liabilities and equity | 226,785 | 193,540 | 88,853 | 82,859 |

* Incorporates the effect of adoption of SFRS(I) 16 Leases from 1 January 2019

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 31/12/19 | | As at 31/12/18 | |
|--------------------|----------------|-----------|----------------|-----------|
| | Secured | Unsecured | Secured | Unsecured |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Bank Loan | 5,687 | 115 | 0 | 0 |
| Finance leases | 993 | 0 | 995 | 0 |
| Lease Liabilities* | 5,892 | 0 | 0 | 0 |

(b) the amount repayable after one year

| | As at 31/12/19 | | As at 31/12/18 | |
|--------------------|----------------|-----------|----------------|-----------|
| | Secured | Unsecured | Secured | Unsecured |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Bank Loan | 293 | 948 | 0 | 0 |
| Finance leases | 2,360 | 0 | 3,305 | 0 |
| Lease Liabilities* | 8,304 | 0 | 0 | 0 |

Details of any collateral

- a) Bank loan secured by
 - corporate guarantee by subsidiary;
 - guarantee by Director;
 - fixed deposit placed with the bank;
- b) Finance Leases secured by assets under hire-purchase arrangement; and
- c) Lease liabilities secured over the right-of-use assets.

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 | |
|---|-------------------------------|----------------|
| | 12 months ended 31 Dec | |
| | 2019 | 2018 |
| | S\$'000 | S\$'000 |
| Cash flow from operating activities: | | |
| Profit before tax | 13,307 | 11,393 |
| Adjustments for : | | |
| Allowance for doubtful debts | 1 | - |
| Bad debts written off | 9 | 9 |
| (Write-back) Write-down of inventories | 6 | (8) |
| Depreciation and amortisation expense* | 19,451 | 9,917 |
| (Gain) Loss on disposal of property, plant and equipment | (64) | (83) |
| Share of (loss) profit from joint venture | (210) | (232) |
| Post employment benefits | 11 | 56 |
| Gain on disposal of Intangible assets | - | (82) |
| Unrealised foreign exchange (gain) loss | 33 | 63 |
| Interest income | (378) | (294) |
| Finance costs for bank loan and finance leases* | 802 | 224 |
| Operating cash flows before movements in working capital | 32,968 | 20,963 |
| Trade and other receivables and other assets | 5,977 | 1,556 |
| Inventories | (1,502) | 355 |
| Trade and other payables | 1,546 | (2,939) |
| Cash generated from operations | 38,989 | 19,935 |
| Interest paid for bank loan and finance leases* | (802) | (224) |
| Income tax paid | (2,819) | (2,912) |
| Net cash from operating activities | 35,368 | 16,799 |
| Cash flow from investing activities: | | |
| Interest received | 379 | 294 |
| Dividends received from joint venture | - | 500 |
| Proceeds from disposal of property, plant and equipment | 172 | 229 |
| Deposit placed for purchase of property, plant and equipment | (4,140) | - |
| Purchase of property, plant and equipment | (7,226) | (5,605) |
| Net cash flow on acquisition of subsidiaries (Note A) | (5,434) | - |
| Proceeds from disposal of intangible assets | - | 87 |
| Net cash used in investing activities | (16,249) | (4,495) |
| Cash flows from financing activities: | | |
| Dividends paid | (3,503) | (5,839) |
| Dividends paid to non-controlling interests | (495) | (633) |
| Placement in Restricted Cash | (1,000) | - |
| Repayment of bank loans | (2,059) | (1,084) |
| Proceeds from bank loans | 7,867 | 847 |
| Repayment of obligations under finance leases | (1,205) | (1,118) |
| Repayment of lease liabilities | (8,528) | - |
| Proceeds from finance leases | - | 4,403 |
| Net cash used in financing activities | (8,923) | (3,424) |
| Net increase in cash and cash equivalents | 10,196 | 8,880 |
| Cash and cash equivalents at beginning of period | 36,052 | 27,710 |
| Effect of foreign exchange rate changes | (560) | (538) |
| Cash and cash equivalents at end of financial year | 45,688 | 36,052 |
| Cash and cash equivalents comprise the following | | |
| Cash and bank balances | 47,088 | 36,052 |
| Less: Placement in Restricted Cash | (1,000) | - |
| Less: Restricted Cash from acquisition of subsidiaries | (400) | - |
| Cash and cash equivalents at end of financial year | 45,688 | 36,052 |

* Incorporates the effect of adoption of SFRS(I) 16 Leases from 1 January 2019

| Note A | 30 April 2019 At fair value S\$'000 |
|---|---|
| Total identifiable net assets | 8,791 |
| Less: Non-controlling interests | (2,742) |
| Add: Goodwill arising from acquisition | 2,402 |
| Total consideration | 8,451 |
| Add: Fair value of call option | 649 |
| Less: Consideration payable | (1,000) |
| Consideration paid by cash | 8,100 |
| Less: Cash and cash equivalents of subsidiaries acquired | (3,066) |
| Add: Restricted Cash | 400 |
| Cash outflow on acquisition per consolidated statement of cash flows | 5,434 |

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 | Statutory | Capital | Retained | Currency | Attributable to | Non- | Total |
|---|---------------|--------------|----------------|----------------|----------------|-----------------|--------------|----------------|
| | capital | surplus | reserve | earnings | translation | owners of | controlling | |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Balance at 1 Jan 2018 | 23,852 | 2,927 | - | 126,857 | (968) | 152,668 | 3,847 | 156,515 |
| Total Comprehensive Income for the period | | | | | | | | |
| Profit for the period, net of tax | - | - | - | 7,109 | - | 7,109 | 1,319 | 8,428 |
| Other comprehensive loss for the period, net of tax | - | - | - | 39 | (1,149) | (1,110) | - | (1,110) |
| Total | - | - | - | 7,148 | (1,149) | 5,999 | 1,319 | 7,318 |
| Non-controlling interest arising from acquisition of subsidiary | - | - | - | - | - | - | - | - |
| Additional investment in a subsidiary by non-controlling shareholder | - | - | - | - | - | - | - | - |
| Transactions with owners, recognised directly in equity | | | | | | | | |
| Appropriation | - | 88 | - | (88) | - | - | - | - |
| Dividends paid, representing transactions with owners recognised directly in equity | - | - | - | (5,839) | - | (5,839) | - | (5,839) |
| Total | - | 88 | - | (5,927) | - | (5,839) | - | (5,839) |
| Others | | | | | | | | |
| Dividends paid to non-controlling interests | - | - | - | - | - | - | (633) | (633) |
| Total | - | - | - | - | - | - | (633) | (633) |
| Balance at 31 December 2018 | 23,852 | 3,015 | - | 128,078 | (2,117) | 152,828 | 4,533 | 157,361 |
| Balance at 31 Dec 2018 | 23,852 | 3,015 | - | 128,078 | (2,117) | 152,828 | 4,533 | 157,361 |
| Adjustments on adoption of SFRS(I) 16 | - | - | - | (72) | - | (72) | - | (72) |
| As adjusted at 1 Jan 2019 | 23,852 | 3,015 | - | 128,006 | (2,117) | 152,756 | 4,533 | 157,289 |
| Total Comprehensive Income for the period | | | | | | | | |
| Profit for the period, net of tax | - | - | - | 8,966 | - | 8,966 | 1,932 | 10,898 |
| Other comprehensive loss for the period, net of tax | - | - | - | 11 | (1,278) | (1,267) | (126) | (1,393) |
| Total | - | - | - | 8,977 | (1,278) | 7,699 | 1,806 | 9,505 |
| Transactions with owners, recognised directly in equity | | | | | | | | |
| Appropriation | - | 182 | - | (182) | - | - | - | - |
| Dividends paid, representing transactions with owners recognised directly in equity | - | - | - | (3,503) | - | (3,503) | - | (3,503) |
| Total | - | 182 | - | (3,685) | - | (3,503) | - | (3,503) |
| Others | | | | | | | | |
| Acquisition of subsidiaries | - | - | (4,241) | - | - | (4,241) | 2,742 | (1,499) |
| Dividends paid to non-controlling interests | - | - | - | - | - | - | (495) | (495) |
| Total | - | - | (4,241) | - | - | (4,241) | 2,247 | (1,994) |
| Balance at 31 December 2019 | 23,852 | 3,197 | (4,241) | 133,298 | (3,395) | 152,711 | 8,586 | 161,297 |
| COMPANY | | | | | | | | |
| | Share | Statutory | Capital | Retained | Currency | Attributable to | Non- | Total |
| | capital | surplus | reserve | earnings | translation | owners of | controlling | |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Balance at 1 Jan 2018 | 23,852 | - | - | 45,737 | - | 69,589 | - | 69,589 |
| Profit for the period, net of tax, representing total comprehensive income for the period | - | - | - | 8,622 | - | 8,622 | - | 8,622 |
| 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 |
| Balance at 1 Jan 2019 | 23,852 | - | - | 48,520 | - | 72,372 | - | 72,372 |
| Profit for the period, net of tax, representing total comprehensive income for the period | - | - | - | 3,374 | - | 3,374 | - | 3,374 |
| Dividends paid, representing transactions with owners recognised directly in equity | - | - | - | (3,503) | - | (3,503) | - | (3,503) |
| Balance at 31 December 2019 | 23,852 | - | - | 48,391 | - | 72,243 | - | 72,243 |

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, 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 | |
|---------------------------|-------------------------|--------------------|
| | FY 2019 | FY 2018 |
| Balance as at 1 January | 233,550,248 | 233,550,248 |
| Issue of shares | - | - |
| Balance as at 31 December | <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 modifications 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 2018.

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 2019, the Group adopted SFRS(I) 16 Leases, which is effective for financial periods beginning January 1, 2019. SFRS(I) 16 establishes the principles for the recognition, measurement, presentation and disclosure of lease assets and corresponding liabilities.

SFRS(I) 16 Leases has a more significant impact on the Group as described below. SFRS(I) 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use (“ROU”) asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

The Group has adopted SFRS(I) 16 using the modified retrospective approach. Therefore, the cumulative effect of adopting SFRS(I) 16 will be recognised as an adjustment to the opening balance of retained earnings as at 1 January 2019, with no restatement of comparative information. The Group has applied the practical expedient to grandfather the definition of a lease on transition.

The Group has recognised the existing operating lease arrangements at 31 December 2018 as ROU assets with corresponding lease liabilities under SFRS(I) 16.

The nature of expenses related to these expenses has changed as SFRS(I) 16 replaced the straight-line operating lease expense (previously recognised in “direct expenses”) with change in fair value for ROU assets and interest expense on lease liabilities.

No significant impact is expected for other leases in which the Group is a lessor.

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: -

| | 31/12/2019 | 31/12/2018 |
|--|-------------------|-------------------|
| Earnings per Ordinary Share for the year based on net profit attributable to shareholders :- | | |
| i) Based on the weighted average number of ordinary shares on issue (cents) | 3.84 | 3.04 |
| ii) On a fully diluted basis (cents) | 3.84 | 3.04 |

Note

- a. The earnings per ordinary share (“EPS”) for the period ended December 31, 2019 has been calculated on weighted average number of ordinary shares in issue of 233,550,248 (2018: 233,550,248) ordinary shares.
- b. Fully diluted EPS for the period ended December 31, 2019 is calculated on 233,550,248 (2018: 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'19 | Dec'18 | Dec'19 | Dec'18 |
| Net asset value per ordinary share based on issued share capital at the end of the period | 65.39 cts | 65.44 cts | 30.93 cts | 30.99 cts |

Note: The net asset value per ordinary share for the period ended December 31, 2019 have been calculated based on the issued share capital of 233,550,248 shares (2018: 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

FY 2019 vs FY 2018

For the twelve months ended 31 December 2019, the Group achieved total revenue of \$174.5 million, 5.3% higher than the \$165.6 million achieved in the same period last year.

The Packaging Printing-related business accounted for 51.7% of the Group's revenue while the Logistics and Services business contributed another 40.8% and the new Lifestyle business contributed the remaining 7.5%. In terms of geographical perspective, the Singapore operations continued to be the main contributor and it accounted for 57.2% of the Group's revenue. The China operations remained the second largest contributor, accounting for 26.6% of the Group's revenue.

For the Packaging Printing-related business, revenue decreased by 1.3% from \$91.3 million to \$90.2 million whilst revenue for the Logistics and Services business decreased by 4.1% from \$74.3 million to \$71.2 million. The new Lifestyle business has contributed \$13.1 million to the Group's revenue. The decrease in the Packaging Printing-related segment revenue was mainly due to decrease in demand from some existing customers in Singapore and China. For the Logistics and Services business, the decrease was mainly due to decrease in demand from some existing customers in Singapore and China.

The Group's operating profit before tax for the twelve months ended 31 December 2019 increased by 16.8% from \$11.4 million to \$13.3 million for the same period in the previous year. This was mainly due to an increase in other income as well as higher revenue registered despite a corresponding increase in cost of operations. The addition of the Lifestyle business also contributed to the increase.

For the Packaging Printing-related business, operating profit before tax (after allocation of corporate services performance) increased by 217.8% from \$0.6 million to \$1.9 million mainly due to the reduction in cost of operations through better cost management and higher other income from Government Grants in China despite a drop in revenue.

For the Logistics business, operating profit before tax (after allocation of corporate services performance) decreased by 2.2% from \$10.8 million to \$10.5 million.

For the Lifestyle business, it has contributed \$0.8 million to the Group's operating profit before tax.

The Group's other income for the twelve months ended 31 December 2019 increased by 39.6% from \$1.1 million to \$1.6 million. This was mainly due to higher Government Grants in China and other income in Singapore.

The Group's depreciation and amortisation expenses increased by 96.1% from \$9.9 million to \$19.5 million as a result of the Group's adoption of SFRS(I) 16 Leases starting 1st January 2019 and increased investments in property, plant and equipment in Singapore, China, Indonesia, Malaysia and Taiwan.

Statement of Financial Position

Total assets increased 17.2% from \$193.5 million as at 31 December 2018 to \$226.8 million as at 31 December 2019.

Current assets increased 12.6% from \$96.5 million as at 31 December 2018 to \$108.6 million as at 31 December 2019. The increase was mainly due to higher cash and cash equivalents as well as inventories.

Cash and cash equivalents increased by 30.6% to \$47.1 million as of 31 December 2019 as compared to \$36.1 million as at 31 December 2018. This was mainly due to better cash management.

Trade and other receivables remained constant at \$47.0 million as at 31 December 2019 after the addition of Profoto group of companies to the Group.

Inventories increased 11.1% from \$13.4 million to \$14.9 million over the same corresponding period, due to stocking up of inventory for year-end peak period.

Non-current assets increased 21.7% from \$97.1 million as at 31 December 2018 to \$118.2 million as at 31 December 2019. This was primarily due to the adoption of SFRS(I) 16 Leases with effect from 1st January 2019, increase in other assets, goodwill, and intangible assets, offset by the decrease in property, plant and equipment and land use rights.

Right-of-use assets of \$13.1 million was included in alignment to the adoption of SFRS(I) 16 Leases where contractual leases are recognised as an asset of the group and its corresponding payment obligations recognised as a liability of the group.

Property, plant and equipment decreased \$3.2 million (or 4.5%) from \$72.6 million as at 31 December 2018 to \$69.3 million as at 31 December 2019. Land use rights decrease \$0.3 million (or 4.6%) from \$6.4 million as at 31 December 2018 to \$6.1 million as at 31 December 2019. This was mainly due to depreciation and amortisation charges for the current financial period.

Other assets increased \$3.2 million (or 118.2%) from \$2.7 million as at 31 December 2018 to \$5.9 million as at 31 December 2019. The increase was mainly due to down payment for plant and equipment in China and income tax receivables in Indonesia.

Goodwill increased \$2.4 million (or 35.9%) from \$6.7 million as at 31 December 2018 to \$9.1 million as at 31 December 2019 due to the acquisition of Profoto group of companies.

Intangible assets increased \$4.1 million from nil as at 31 December 2018 due to the acquisition of Profoto group of companies.

Joint venture in Malaysia increased \$0.2 million (or 4.7%) from \$4.2 million as at 31 December 2018 to \$4.4 million as at 31 December 2019. The increase was mainly due to continuing profitability of the Joint Venture.

Total liabilities increased 81.0% from \$36.2 million as at 31 December 2018 to \$65.5 million as at 31 December 2019. Current liabilities increased 57.7 % from \$29.6 million to \$46.8 million while non-current liabilities increased 186.6% from \$6.5 million to \$18.7 million. The increase in liabilities was mainly due to the adoption of SFRS(I) 16 Leases where payment obligations arising from contractual leases are recognised as a liability of the group, higher trade and other payables and additional bank loan taken up for the purchase of Profoto as well as warehouse unit.

Statement of Cash Flows

For the twelve months ended 31 December 2019, the Group generated positive cash flow of \$39.0 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 higher depreciation for right-of-use assets, lower cash outflow from trade and other payables and higher cash flow generated from collection of trade and other receivables offset by lower cash flow generated from inventories.

During this period, the Group continued to invest \$5.8 million in plant and equipment. These include additional plant and equipment for subsidiaries in Singapore, China, Malaysia, Indonesia and Taiwan.

The Group's net cash flow from financing activities registered a net cash outflow of \$8.9 million compared to a net cash outflow of \$3.4 million for the same period in the previous year. This was mainly due to repayment for leases liabilities, increased payment for finance leases, and placement of restricted cash, and, offset by additional bank loan, and lower dividend payout.

The Group's debt to equity ratio has increased from 2.81% as at 31 December 2018 to 6.81% as at 31 December 2019.

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 2018.

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 recent outbreak of the COVID-19 epidemic will slow down growth in many economies in Asia Pacific. The extended shutdown of activities by Chinese government has directly impacted our China operations. It has also adversely disrupted the global supply chain and caused a decrease in our customer demand for packaging materials and logistic services. The travel bans on Chinese nationals and the travel restrictions imposed by some countries have also adversely affected the lifestyle industry which depends much on consumers' spending power. As the Covid-19 epidemic is still evolving and there is no clear indication on when it is going to stabilise, coupled with the unresolved trade negotiations between China and US, it is difficult to determine what would be the specific impacts on us. Currently all our China subsidiaries have resumed operations, but if the situation worsens, the COVID-19 epidemic will impact their productivity and overall business performance in FY2020.

The management will closely monitor the development of the COVID-19 epidemic and continue to take steps to manage costs to remain competitive, while keeping a vigilant lookout for opportunities to further widen revenue sources in other markets in this challenging and uncertain time.

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 2019 |

(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 | : | Final |
| Dividend Type | : | Cash |
| Dividend amount per share (in cents) | : | 1.0 cent |
| Tax rate | : | Tax exempt (one-tier) |
| Date paid | : | 17 May 2019 |

| | | |
|--------------------------------------|---|-----------------------|
| 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 |

(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)

The Board of Directors do hereby confirm that to the best of their knowledge, nothing has come to their attention which may render the un-audited results of the Group, for the twelve months ending December 31, 2019, to be false or misleading.

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 2019

| Revenue | Packaging Printing | Logistics | Lifestyle | Services | Elimination | Total |
|---------------------|--------------------|-----------|-----------|----------|-------------|---------|
| External sales | 90,194 | 70,046 | 13,065 | 1,154 | - | 174,459 |
| Inter-segment sales | 32,299 | 8,853 | 36 | 14,039 | (55,227) | - |
| Total revenue | 122,493 | 78,899 | 13,101 | 15,193 | (55,227) | 174,459 |

| Results | | | | | | |
|----------------------------------|-------|--------|-----|-------|---|---------|
| Segment results | 1,488 | 10,276 | 890 | (282) | - | 12,372 |
| Interest income | | | | | | 382 |
| Other income | | | | | | 1,188 |
| Profit from operations | | | | | | 13,942 |
| Share of profit of joint venture | | | | | | 210 |
| Finance costs | | | | | | (845) |
| Profit before income tax | | | | | | 13,307 |
| Income tax expense | | | | | | (2,409) |
| Profit for the year | | | | | | 10,898 |

| Other Segment Information | | | | | | |
|----------------------------------|-------|-------|-------|-------|---|--------|
| Capital expenditure | 5,204 | 1,813 | 167 | 42 | - | 7,226 |
| Depreciation and amortisation | 6,318 | 8,346 | 1,105 | 3,682 | - | 19,451 |

BALANCE SHEET

| | Packaging Printing | Logistics | Lifestyle | Services | Elimination | Total |
|--------------------------------|--------------------|-----------|-----------|----------|-------------|---------|
| Assets | | | | | | |
| Segment assets | 91,002 | 67,874 | 11,388 | 56,175 | - | 226,439 |
| Unallocated assets | | | | | | 346 |
| Consolidated total assets | | | | | | 226,785 |
| Liabilities | | | | | | |
| Segment liabilities | 16,965 | 23,372 | 5,083 | 14,211 | - | 59,631 |
| Unallocated liabilities | | | | | | 5,857 |
| Consolidated total liabilities | | | | | | 65,488 |

Year 2018

| | Packaging Printing | Logistics | Lifestyle | Services | Elimination | Total |
|---------------------|--------------------|-----------|-----------|----------|-------------|---------|
| Revenue | | | | | | |
| 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 | | | | | | 294 |
| Other income | | | | | | 828 |
| Profit from operations | | | | | | 11,385 |
| Share of profit of joint venture | | | | | | 232 |
| Finance costs | | | | | | (224) |
| Profit before income tax | | | | | | 11,393 |
| Income tax expense | | | | | | (2,965) |
| Profit for the year | | | | | | 8,428 |

| Other segment information | | | | | | |
|----------------------------------|-------|-----|---|-------|---|-------|
| Capital expenditure | 4,526 | 307 | - | 772 | - | 5,605 |
| Depreciation and amortisation | 5,518 | 733 | - | 3,666 | - | 9,917 |

BALANCE SHEET

| | Packaging Printing | Logistics | Lifestyle | 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 | 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 | |
|----------------------------|---------------------------------|---------|--------------------|--------|
| | Y2019 | Y2018 | Y2019 | Y2018 |
| (S\$'000) | | | | |
| Singapore | 99,878 | 92,694 | 77,359 | 66,917 |
| People's republic of China | 46,326 | 49,355 | 22,376 | 15,920 |
| Indonesia | 15,472 | 14,407 | 5,609 | 4,464 |
| Malaysia | 6,545 | 3,994 | 8,558 | 8,850 |
| Thailand | 968 | 664 | 408 | 63 |
| Japan | 2,523 | 2,147 | 1,106 | 231 |
| Australia | 1,100 | 884 | 414 | 87 |
| India | 711 | 742 | 336 | 221 |
| Taiwan | 936 | 721 | 1,647 | 23 |
| Total | 174,459 | 165,608 | 117,813 | 96,776 |

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

The factors leading to the material changes in contributions to revenue and earnings by business or geographical segments are stated under Section 8.

18. A breakdown of sales

| A breakdown of sales | 2019 | 2018 | + / (-) % |
|--|--------|--------|-----------|
| Sales reported for the first half year | 78,654 | 81,676 | (4) |
| Operating profit/loss after tax before deducting non-controlling interests reported for first half year | 5,624 | 5,539 | 2 |
| Sales reported for the second half year | 95,805 | 83,932 | 14 |
| Operating profit/loss after tax before deducting non-controlling interests reported for second half year | 5,274 | 2,889 | 83 |

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 2019 | FY 2018 |
|--|---------|---------|
| | S\$'000 | S\$'000 |
| Ordinary | 3,503 | 5,839 |
| Preference | - | - |
| Total : | 3,503 | 5,839 |

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, 65 | Husband of Mai Ah Ngo. | Chairman & Managing Director of Teckwah Industrial Corporation Ltd (2002) | N.A. |
| Mai Ah Ngo, 64 | Wife of Thomas Chua Kee Seng. | Executive Director of Teckwah Industrial Corporation Ltd (1991) | N.A. |
| Goh Bong Chee, 68 | 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, 58 | 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, 59 | Sister of Thomas Chua Kee Seng; Sister-in-law of Mai Ah Ngo. | Program Manager of Teckwah Value Chain Pte Ltd | N.A. |

| | | | |
|--------------------------|--|---|--|
| | Ngo. | (2006) | |
| Chua Ai Ling, 37 | Daughter of Thomas Chua Kee Seng & Mai Ah Ngo. | Group Business Development Director of Teckwah Industrial Corporation Ltd (2017) | N.A. |
| Chua Xing Ling, 36 | Daughter of Thomas Chua Kee Seng & Mai Ah Ngo. | Senior Corporate Planning and Enterprise Risk Management Manager of Teckwah Industrial Corporation Ltd (2019) | Promoted to Senior Corporate Planning and Enterprise Risk Management Manager of Teckwah Industrial Corporation Ltd on 1 st October 2019 |
| Chua Bao Hui, 29 | Daughter of Thomas Chua Kee Seng & Mai Ah Ngo. | Corporate Communication Manager (2018) | N.A. |
| Calvin Ong Shan Qian, 37 | Nephew of Thomas Chua Kee Seng; Nephew-in-law of Mai Ah Ngo. | Sourcing and Purchasing Manager of Teckwah Value Chain Pte Ltd (2018) | N.A. |

BY ORDER OF THE BOARD
Thomas Chua Kee Seng
Chairman & Managing Director
February 26, 2020
Singapore