

FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT::FULL YEARLY RESULTS

Issuer & Securities

Issuer/ Manager

TAT SENG PACKAGING GROUP LTD

Securities

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Additional Details

For Financial Period Ended

31/12/2022

Attachments

[Condensed Interim Financial Statements for the six months and full year ended 31 December 2022.pdf](#)

Total size =857K MB



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