

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".



**First Quarter Ended 31 March 2019
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		%
	3 months ended 31 Mar		incr/ (decr)
	2019	2018 (Restated)	
Revenue	37,395	40,751	(8.2)
Investment income	-	-	-
Other income including interest income :-	614	281	118.5
(i) Gain on sale of plant & equipment included in other income	51	-	n.m
(ii) Interest income	57	69	(17.4)
(iii) Other income	506	212	138.7
Changes in inventories of FG & WIP	(277)	(143)	93.7
(i) (Allowance for) write-back of inventories	(22)	(6)	266.7
Raw materials and consumables used :-	(9,784)	(10,991)	(11.0)
(i) Write-back of (allowance for) inventories	1	10	(90.0)
Staff costs	(10,489)	(11,142)	(5.9)
Depreciation, amortisation and impairment expenses	(4,304)	(2,463)	74.7
Interest on borrowings	(162)	(30)	440.0
Other operating expenses :-	(9,827)	(13,276)	(26.0)
(i) Foreign exchange (loss) gain	(24)	(208)	(88.5)
(ii) Allowance for doubtful debts	-	-	-
(ii) Bad debts written off	-	-	-
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	3,166	2,987	6.0

Income statement (continued)

Loss from associated companies

(Loss) profit from joint venture

Operating profit before income tax

Less income tax :-

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

Profit for the period

Attributable to :-

Owners of the company

Non-controlling interests

Group		
S\$'000		%
3 months ended 31 Mar		incr/ (decr)
2019	2018 (Restated)	
-	-	-
34	(2)	(1,800.0)
3,200	2,985	7.2
(613)	(637)	(3.8)
10	10	-
2,587	2,348	10.2
2,251	1,984	13.5
336	364	(7.7)

Statement of Comprehensive Income

Profit for the period

Other comprehensive income :-

Items that will not be reclassified subsequently to profit or loss :-
(i) Remeasurement of defined benefit obligationItems that may be reclassified subsequently to profit or loss :-
(i) Foreign currency translation

Other comprehensive income for the period

Total comprehensive income for the period

The comprehensive income attributable to :-

Owners of the Company

Non-controlling Interests

Group		
S\$'000		%
3 months ended 31 Mar		incr/ (decr)
2019	2018 (Restated)	
2,587	2,348	10.2
-	-	-
510	732	(30.3)
510	732	(30.3)
3,097	3,080	0.6
2,709	2,534	6.9
388	546	(28.9)

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 31-Mar-19 \$'000	Previous 31-Dec-18 \$'000	Actual 31-Mar-19 \$'000	Previous 31-Dec-18 \$'000
ASSETS				
Current assets:				
Cash and cash equivalents	36,844	36,052	6,497	5,422
Trade and other receivables	45,584	46,999	12,423	10,832
Inventories	12,140	13,429	-	-
Total current assets	94,568	96,480	18,920	16,254
Non-current assets:				
Other assets	3,959	2,703	-	-
Joint venture	4,246	4,179	4,216	4,216
Subsidiaries	-	-	19,797	19,797
Property, plant and equipment	72,351	72,563	33,434	34,213
Investment properties	4,227	4,240	2,334	2,357
Right-of-use assets	6,829	-	-	-
Land use rights	6,350	6,400	5,956	6,022
Goodwill	6,691	6,691	-	-
Deferred tax assets	286	284	-	-
Total non-current assets	104,939	97,060	65,737	66,605
Total assets	199,507	193,540	84,657	82,859
LIABILITIES AND EQUITY				
Current liabilities:				
Trade and other payables	21,011	25,992	10,193	8,859
Finance leases	962	995	20	20
Lease liabilities	4,546	-	-	-
Income tax payable	2,814	2,655	705	701
Total current liabilities	29,333	29,642	10,918	9,580
Non-current liabilities:				
Bank loans	886	-	-	-
Finance leases	3,061	3,305	46	51
Lease liabilities	2,631	-	-	-
Deferred tax liabilities	2,742	2,742	856	856
Post employment benefits	487	490	-	-
Total non-current liabilities	9,807	6,537	902	907
Capital, reserves and non-controlling interests:				
Share capital	23,852	23,852	23,852	23,852
Statutory surplus reserve	3,017	3,015	-	-
Retained earnings	130,234	128,078	48,985	48,520
Currency translation reserve	(1,659)	(2,117)	-	-
Equity attributable to owners of the company	155,444	152,828	72,837	72,372
Non-controlling interests	4,923	4,533	-	-
Total equity	160,367	157,361	72,837	72,372
Total liabilities and equity	199,507	193,540	84,657	82,859

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 31/03/19		As at 31/12/18	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
962	0	995	0

(b) the amount repayable after one year

As at 31/03/19		As at 31/12/18	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
3,061	886	3,305	-

Details of any collateral

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

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

Statement of cash flows

	Group	
	3 months ended 31 Mar	
	2019	2018
	S\$'000	S\$'000
Cash flow from operating activities:		
Profit before tax	3,200	2,985
Adjustments for :		
(Write-back) Write-down of inventories	21	(4)
Depreciation and amortisation expense	2,491	2,463
Depreciation expense for right-of-use assets	1,813	-
(Gain) Loss on disposal of property, plant and equipment	(52)	-
Share of (loss) profit from joint venture	(34)	2
Post employment benefits	-	(9)
Interest income	(57)	(69)
Finance costs for bank loan and finance leases	38	30
Finance costs for lease liabilities	124	-
	7,544	5,398
Operating cash flows before movements in working capital		
Trade and other receivables and other assets	352	1,988
Inventories	1,324	52
Trade and other payables	(5,104)	(4,976)
Cash generated from operations	4,116	2,462
Interest paid for bank loan and finance leases	(38)	(30)
Interest paid for lease liabilities	(124)	-
Income tax paid	(456)	(607)
Net cash from operating activities	3,498	1,825
Cash flow from investing activities:		
Interest received	57	69
Proceeds from disposal of property, plant and equipment	85	-
Purchase of property, plant and equipment	(1,989)	(1,431)
Net cash used in investing activities	(1,847)	(1,362)
Cash flows from financing activities:		
Repayment of bank loans	(6)	(274)
Proceeds from bank loans	893	293
Repayment of obligations under finance leases	(277)	(267)
Repayment of lease liabilities	(1,556)	-
Net cash used in financing activities	(946)	(248)
Net increase (decrease) in cash and cash equivalents	705	215
Cash and cash equivalents at beginning of period	36,052	27,710
Effect of foreign exchange rate changes	87	131
Cash and cash equivalents at end of period	36,844	28,056

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

Statement of changes in equity

GROUP

	Share capital S\$'000	Statutory surplus reserve S\$'000	Retained earnings S\$'000	Currency translation reserve S\$'000	Attributable to owners of the company S\$'000	Non-controlling interests S\$'000	Total 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	-	-	1,984	-	1,984	364	2,348
Other comprehensive loss for the period, net of tax	-	-	-	550	550	182	732
Total	-	-	1,984	550	2,534	546	3,080
Transactions with owners, recognised directly in equity							
Appropriation	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-
Others							
Dividends paid to non-controlling interests	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-
Balance at 31 Mar 2018	23,852	2,927	128,841	(418)	155,202	4,393	159,595

Balance at 31 Dec 2018	23,852	3,015	128,078	(2,117)	152,828	4,533	157,361
Cumulative effects of adopting SFRS(l) 16			(91)		(91)		(91)
As adjusted at 1 Jan 2019	23,852	3,015	127,987	(2,117)	152,737	4,533	157,270
Total Comprehensive Income for the period							
Profit for the period, net of tax	-	-	2,251	-	2,251	336	2,587
Other comprehensive loss for the period, net of tax	-	-	-	458	458	52	510
Total	-	-	2,251	458	2,709	388	3,097
Transactions with owners, recognised directly in equity							
Appropriation	-	2	(4)	-	(2)	2	-
Total	-	2	(4)	-	(2)	2	-
Others							
Dividends paid to non-controlling interests	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-
Balance at 31 Mar 2019	23,852	3,017	130,234	(1,659)	155,444	4,923	160,367

COMPANY

	Share capital S\$'000	Statutory surplus reserve S\$'000	Retained earnings S\$'000	Currency translation reserve S\$'000	Attributable to owners of the company S\$'000	Non-controlling interests S\$'000	Total 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	-	-	171	-	171	-	171
Balance at 31 Mar 2018	23,852	-	45,908	-	69,760	-	69,760
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	-	-	465	-	465	-	465
Balance at 31 Mar 2019	23,852	-	48,985	-	72,837	-	72,837

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Not applicable.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	Number of Issued Shares	
	31/03/2019	31/12/2018
Balance as at 1 January	233,550,248	233,550,248
Issue of shares	-	-
Balance as at 31 March	<u>233,550,248</u>	<u>233,550,248</u>

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

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

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

There are no subsidiary holdings.

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

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

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

Not applicable.

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

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

Notwithstanding the adoption of the new SFRS(I) 16, interim financial information may be subject to change until all standards effective on 31 December 2019 are known and incorporated.

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: -

	31/3/2019	31/3/2018
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)	0.96	0.85
ii) On a fully diluted basis (cents)	0.96	0.85

Note

- a. The earnings per ordinary share (“EPS”) for the period ended March 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 March 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	
	Mar'19	Dec'18	Mar'19	Dec'18
Net asset value per ordinary share based on issued share capital at the end of the period	66.56 cts	65.44 cts	31.19 cts	30.99 cts

Note: The net asset value per ordinary share for the period ended March 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

1Q FY 2019 vs 1Q FY 2018

For the first quarter ended 31 March 2019, the Group achieved total revenue of \$37.4 million, 8.2% lower than the \$40.8 million achieved in the same period last year.

The Packaging Printing-related business accounted for 54.2% of the Group's revenue and the Logistics and Services business contributed the remaining 45.8%. In terms of geographical perspective, the Singapore operations continued to be the main contributor and it accounted for 55.3% of the Group's revenue. The China operations remained the second largest contributor, accounting for 29.7% of the Group's revenue.

For the Packaging Printing-related business, revenue decreased by 7.2% from \$21.8 million to \$20.3 million whilst revenue for the Logistics and Services business decreased by 9.7% from \$18.9 million to \$17.1 million. The decrease in the Packaging Printing-related segment revenue was mainly due to decrease in demand from some existing customers in Singapore. 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 first quarter ended 31 March 2019 increased by 7.2% from \$3.0 million to \$3.2 million for the same period in the previous year. This was mainly due to other income and reduced cost of operations.

For the Packaging Printing-related business, operating profit before tax (after allocation of corporate services performance) increased by 274.4% from \$0.07 million to \$0.27 million mainly due to higher reduction in costs of operations following a decrease in revenue as well as higher other income from Government Grants in China.

For the Logistics business, operating profit before tax (after allocation of corporate services performance) increased by 0.6% from \$2.91 million to \$2.93 million. The increase in operating profit was mainly due to higher reduction in costs of operations following a decrease in revenue.

The Group's other income for the first quarter ended 31 March 2019 increased by 118.5% from \$0.3 million to \$0.6 million. This was mainly due to higher Government Grants in China.

The Group's depreciation and amortisation expenses increased by 74.7% from \$2.5 million to \$4.3 million as a result of the Group's adoption of SFRS(I) Leases starting 1st January 2019 and increased investments in property, plant and equipment in Singapore, China, Indonesia and Taiwan.

Statement of Financial Position

Total assets increased 3.1% from \$193.5 million as at 31 December 2018 to \$199.5 million as at 31 March 2019.

Current assets decreased 2.0% from \$96.5 million as at 31 December 2018 to \$94.6 million as at 31 March 2019. The decrease was mainly due to lower trade and other receivables and lower inventories level offset by the increase in cash and cash equivalents.

Cash and cash equivalents increased slightly by 2.2% to \$36.8 million as of 31 March 2019 as compared to \$36.1 million as at 31 December 2018. This was mainly due to improvement in collections and lower inventory holding.

Trade and other receivables decreased by 3.0% from \$47.0 million in the previous year to \$45.6 million as at 31 March 2019, mainly due to subsequent collection in the current financial year as well as lower sales in the first quarter ended 31 March 2019.

Inventories decreased 9.6% from \$13.4 million to \$12.1 million over the same corresponding period, due to better inventory management.

Non-current assets increased 8.1% from \$97.1 million as at 31 December 2018 to \$104.9 million as at 31 March 2019. This was primarily due to the adoption of SFRS(I) 16 Leases with effect from 1st January 2019, increase in other assets and joint venture, offset by the decrease in property, plant and equipment and land use rights.

Lease Use Rights of \$6.83 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 \$0.2 million (or 0.3%) from \$72.6 million as at 31 December 2018 to \$72.4 million as at 31 March 2019. Land use rights decrease \$0.05million (or 0.8%) from \$6.4 million as at 31 December 2018 to \$6.35 million as at 31 March 2019. This was mainly due to depreciation and amortisation charges for the current financial period.

Other assets increased \$1.3 million (or 46.5%) from \$2.7 million as at 31 December 2018 to \$4.0 million as at 31 March 2019. The increase was mainly due to down payment for plant and equipment in China.

Joint venture in Malaysia increased \$0.07 million (or 2.9%) from \$4.18 million as at 31 December 2018 to \$4.25 million as at 31 March 2019. The increase was mainly due to continuing profitability of the Joint Venture.

Total liabilities increased 8.2% from \$36.2 million as at 31 December 2018 to \$39.1 million as at 31 March 2019. Current liabilities decreased 1.0% from \$29.6 million to \$29.3 million while non-current liabilities increased 50.0% from \$6.5 million to \$9.8 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, and additional bank loan taken up for the purchase of warehouse unit.

Statement of Cash Flows

For the first quarter ended 31 March 2019, the Group generated positive cash flow of \$4.1 million from operations after working capital changes. It was \$2.5 million for the same period in the previous year. This increase was mainly attributed to higher depreciation for right-of-use assets, higher cash flow generated from sales offset by lower cash flow generated from collection of trade and other receivables.

During this period, the Group continued to invest \$2.0 million in plant and equipment. These include additional plant and equipment for subsidiaries in China, and Taiwan.

The Group's net cash flow from financing activities registered a net cash outflow of \$0.9 million compared to a net cash outflow of \$0.2 million for the same period in the previous year. This was mainly due to repayment for leases liabilities, offset by additional bank loan and lower repayment of bank loan.

The Group's debt to equity ratio has increased from 2.8% as at 31 December 2018 to 3.2% as at 31 March 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 threat of an escalating global trade war will inevitably slow down growth in many economies. This will add more downward pressure on our pricing and upward pressure on our operating costs. The management will continue to take steps to be competitive, widen revenue sources and manage its cost structure.

The recent acquisition of Profoto is an example of widening of revenue source. With Profoto, the Group has moved into the area of large format printing services with events set-ups, bill boards, fabrication of props and window displays, carpentry works. New customers acquired include top luxury brands, shopping malls and prestigious hotels.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

No.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

The company adopts the practice of declaring dividend on quarter two and full year basis.

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 three months ending March 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.

BY ORDER OF THE BOARD
Thomas Chua Kee Seng
Chairman & Managing Director
May 14, 2019
Singapore