

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".



**Second Quarter and Six Months Ended 30 June 2017
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 | | | Group | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|----------|-----------------|-----------------------|----------|-----------------|
| | S\$'000 | | % | S\$'000 | | % |
| | Q2 FY2017 | | incr/ (decr) | 6 months ended 30 Jun | | incr/ (decr) |
| | 2017 | 2016 | | 2017 | 2016 | |
| a Revenue | 44,920 | 43,506 | 3.3 | 89,556 | 85,824 | 4.3 |
| b Investment income | - | - | - | - | - | - |
| c Other income including interest income :- | 385 | 242 | 59.1 | 767 | 674 | 13.8 |
| (i) Gain on sale of plant & equipment included in other income | 114 | 2 | n.m | 114 | 2 | n.m |
| (ii) Interest income | 35 | 42 | (16.7) | 73 | 87 | (16.1) |
| (iii) Other income | 236 | 198 | 19.2 | 580 | 585 | (0.9) |
| d Changes in inventories of FG & WIP | (411) | (72) | 470.8 | (1,326) | 157 | (944.6) |
| (i) (Allowance for) write-back of inventories | (6) | 37 | (116.2) | (2) | (13) | (84.6) |
| e Raw materials and consumables used :- | (11,138) | (12,435) | (10.4) | (22,704) | (24,702) | (8.1) |
| (i) (Allowance for) write-back of inventories | (3) | (65) | (95.4) | 10 | (138) | (107.2) |
| f Staff costs | (11,089) | (10,305) | 7.6 | (21,873) | (20,787) | 5.2 |
| g Depreciation, amortisation and impairment expenses | (2,323) | (2,283) | 1.8 | (4,609) | (4,578) | 0.7 |
| h Interest on borrowings | (113) | (159) | (28.9) | (238) | (349) | (31.8) |
| i Other operating expenses :- | (14,818) | (14,346) | 3.3 | (29,641) | (27,739) | 6.9 |
| (i) Foreign exchange gain (loss) | (6) | (329) | (98.2) | (574) | (35) | 1,540.0 |
| (ii) Allowance for doubtful debts | - | - | - | - | - | - |
| (ii) Bad debts written off | - | - | - | - | - | - |
| j Exceptional items | - | - | - | - | - | - |
| k 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 | 5,413 | 4,148 | 30.5 | 9,932 | 8,500 | 16.8 |

Income statement (continued)

| | Group | | | Group | | |
|-----------------------------------------------------------------------------------|-----------|---------|-----------------|-----------------------|---------|-----------------|
| | S\$'000 | | % | S\$'000 | | % |
| | Q2 FY2017 | | incr/ (decr) | 6 months ended 30 Jun | | incr/ (decr) |
| | 2017 | 2016 | | 2017 | 2016 | |
| l Loss from associated companies | - | - | - | - | - | - |
| m Profit from joint venture | 73 | 26 | 180.8 | 141 | 115 | 22.6 |
| n Operating profit before income tax | 5,486 | 4,174 | 31.4 | 10,073 | 8,615 | 16.9 |
| o Less income tax :- | (1,031) | (1,156) | (10.8) | (2,133) | (2,355) | (9.4) |
| (i) Adjustment for over (under) provision of tax in respect of prior periods. | 35 | (10) | (450.0) | 35 | (59) | (159.3) |
| p Profit for the period | 4,455 | 3,018 | 47.6 | 7,940 | 6,260 | 26.8 |
| Attributable to :- | | | | | | |
| q Owners of the company | 3,958 | 2,688 | 47.2 | 7,000 | 5,706 | 22.7 |
| r Non-controlling interests | 497 | 330 | 50.6 | 940 | 554 | 69.7 |

Statement of Comprehensive Income

| | Group | | | Group | | |
|-----------------------------------------------------------------------|-----------|-------|-----------------|-----------------------|---------|-----------------|
| | S\$'000 | | % | S\$'000 | | % |
| | Q2 FY2017 | | incr/ (decr) | 6 months ended 30 Jun | | incr/ (decr) |
| | 2017 | 2016 | | 2017 | 2016 | |
| Profit for the period | 4,455 | 3,018 | 47.6 | 7,940 | 6,260 | 26.8 |
| Other comprehensive income :- | | | | | | |
| Items that will not be reclassified subsequently to profit or loss :- | | | | | | |
| (i) Remeasurement of defined benefit obligation | - | - | - | - | - | - |
| Items that may be reclassified subsequently to profit or loss :- | | | | | | |
| (i) Foreign currency translation | (119) | (700) | (83.0) | (1,338) | (2,659) | (49.7) |
| Other comprehensive income for the period | (119) | (700) | (83.0) | (1,338) | (2,659) | (49.7) |
| Total comprehensive income for the period | 4,336 | 2,318 | 87.1 | 6,602 | 3,601 | 83.3 |
| The comprehensive income attributable to :- | | | | | | |
| Owners of the Company | 3,840 | 2,026 | 89.5 | 6,337 | 3,275 | 93.5 |
| Non-controlling Interests | 496 | 292 | 69.9 | 265 | 326 | (18.7) |

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 |
| | 30-Jun-17 | 31-Dec-16 | 30-Jun-17 | 31-Dec-16 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| ASSETS | | | | |
| Current assets: | | | | |
| Cash and cash equivalents | 36,844 | 42,362 | 1,653 | 6,894 |
| Trade and other receivables | 46,340 | 46,613 | 11,752 | 13,157 |
| Inventories | 13,802 | 20,070 | - | - |
| Total current assets | 96,986 | 109,045 | 13,405 | 20,051 |
| Non-current assets: | | | | |
| Other assets | 3,017 | 389 | - | - |
| Joint venture | 4,188 | 4,060 | 4,216 | 4,216 |
| Subsidiaries | - | - | 19,797 | 19,797 |
| Property, plant and equipment | 72,038 | 74,896 | 38,607 | 39,741 |
| Investment properties | 4,080 | 4,140 | 2,203 | 2,245 |
| Land use rights | 6,847 | 6,997 | 6,421 | 6,554 |
| Intangible assets | 15 | 20 | 15 | 20 |
| Goodwill | 6,691 | 6,691 | - | - |
| Deferred tax assets | 300 | 307 | - | - |
| Total non-current assets | 97,176 | 97,500 | 71,259 | 72,573 |
| Total assets | 194,162 | 206,545 | 84,664 | 92,624 |
| LIABILITIES AND EQUITY | | | | |
| Current liabilities: | | | | |
| Trade and other payables | 24,383 | 36,207 | 7,021 | 9,062 |
| Bank loans | 10,260 | 12,564 | 10,000 | 12,500 |
| Finance leases | 747 | 940 | 20 | 5 |
| Income tax payable | 2,613 | 3,072 | 171 | 313 |
| Total current liabilities | 38,003 | 52,783 | 17,212 | 21,880 |
| Non-current liabilities: | | | | |
| Bank loans | - | - | - | - |
| Finance leases | 206 | 390 | 78 | - |
| Deferred tax liabilities | 2,880 | 2,884 | 1,230 | 1,230 |
| Post employment benefits | 373 | 390 | - | - |
| Total non-current liabilities | 3,459 | 3,664 | 1,308 | 1,230 |
| Capital, reserves and non-controlling interests: | | | | |
| Share capital | 23,852 | 23,852 | 23,852 | 23,852 |
| Statutory surplus reserve | 2,720 | 2,701 | - | - |
| Retained earnings | 124,004 | 120,526 | 42,292 | 45,662 |
| Currency translation reserve | (557) | 106 | - | - |
| Equity attributable to owners of the company | 150,019 | 147,185 | 66,144 | 69,514 |
| Non-controlling interests | 2,681 | 2,913 | - | - |
| Total equity | 152,700 | 150,098 | 66,144 | 69,514 |
| Total liabilities and equity | 194,162 | 206,545 | 84,664 | 92,624 |

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 30/6/17 | | As at 31/12/16 | |
|---------------|-----------|----------------|-----------|
| Secured | Unsecured | Secured | Unsecured |
| \$'000 | \$'000 | \$'000 | \$'000 |
| 747 | 10,260 | 940 | 12,564 |

(b) the amount repayable after one year

| As at 30/6/17 | | As at 31/12/16 | |
|---------------|-----------|----------------|-----------|
| Secured | Unsecured | Secured | Unsecured |
| \$'000 | \$'000 | \$'000 | \$'000 |
| 206 | - | 390 | - |

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 | | Group | |
|-----------------------------------------------------------------|-------------------------------|----------------|-------------------------------|----------------|
| | 3 months ended 30 Jun 2017 | 2016 | 6 months ended 30 Jun 2017 | 2016 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Cash flow from operating activities: | | | | |
| Profit before tax | 5,486 | 4,174 | 10,073 | 8,615 |
| Adjustments for : | | | | |
| Write-down (write-back) of inventories | 9 | 28 | (8) | 151 |
| Depreciation and amortisation expense | 2,323 | 2,283 | 4,609 | 4,578 |
| Gain on disposal of property, plant and equipment | (114) | (2) | (110) | (2) |
| Share of profit from joint venture | (73) | (26) | (141) | (115) |
| Post employment benefits | - | - | - | (12) |
| Interest income | (35) | (42) | (73) | (87) |
| Finance costs | 113 | 159 | 238 | 349 |
| Operating cash flows before movements in working capital | 7,709 | 6,574 | 14,588 | 13,477 |
| Trade and other receivables and other assets | (1,509) | (2,983) | (2,355) | 2,738 |
| Inventories | 985 | (10,499) | 6,276 | (9,165) |
| Trade and other payables | (1,434) | 11,712 | (11,824) | 5,768 |
| Cash generated from operations | 5,751 | 4,804 | 6,685 | 12,818 |
| Interest paid | (113) | (159) | (238) | (349) |
| Income tax paid | (1,385) | (904) | (2,589) | (1,459) |
| Net cash from operating activities | 4,253 | 3,741 | 3,858 | 11,010 |
| Cash flow from investing activities: | | | | |
| Interest received | 35 | 42 | 73 | 87 |
| Proceeds from disposal of property, plant and equipment | 121 | 2 | 125 | 9 |
| Purchase of property, plant and equipment | (1,557) | (732) | (1,935) | (1,301) |
| Net cash used in investing activities | (1,401) | (688) | (1,737) | (1,205) |
| Cash flows from financing activities: | | | | |
| Dividends paid | (3,503) | (2,335) | (3,503) | (2,335) |
| Dividends paid to non-controlling interests | - | - | (497) | (613) |
| Repayment of bank loans | (1,250) | (1,252) | (2,527) | (2,617) |
| Proceeds from bank loans | 223 | 146 | 223 | 146 |
| Repayment of obligations under finance leases | (234) | (253) | (471) | (497) |
| Net cash used in financing activities | (4,764) | (3,694) | (6,775) | (5,916) |
| Net (decrease) increase in cash and cash equivalents | (1,912) | (641) | (4,654) | 3,889 |
| Cash and cash equivalents at beginning of period | 39,028 | 29,856 | 42,362 | 26,832 |
| Effect of foreign exchange rate changes | (272) | (343) | (864) | (1,849) |
| Cash and cash equivalents at end of period | 36,844 | 28,872 | 36,844 | 28,872 |

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 | Statutory surplus reserve | Retained earnings | Currency translation reserve | Attributable to owners of the company | Non-controlling interests | Total |
|-------------------------------------------------------------------------------------------|---------------|---------------------------|-------------------|------------------------------|---------------------------------------|---------------------------|----------------|
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Balance at 1 Apr 2016 | 23,852 | 2,102 | 113,996 | (698) | 139,252 | 2,012 | 141,264 |
| Total comprehensive income for the period | | | | | | | |
| Profit for the period, net of tax | - | - | 2,688 | - | 2,688 | 330 | 3,018 |
| Other comprehensive income for the period | - | - | - | (662) | (662) | (38) | (700) |
| Total | - | - | 2,688 | (662) | 2,026 | 292 | 2,318 |
| Transactions with owners, recognised directly in equity | | | | | | | |
| Appropriations | - | (3) | 3 | - | - | - | - |
| Dividends paid | - | - | (2,335) | - | (2,335) | - | (2,335) |
| Total | - | (3) | (2,332) | - | (2,335) | - | (2,335) |
| Others | | | | | | | |
| Dividends declared to non-controlling interests | - | - | - | - | - | - | - |
| Total | - | - | - | - | - | - | - |
| Balance at 30 Jun 2016 | 23,852 | 2,099 | 114,352 | (1,360) | 138,943 | 2,304 | 141,247 |
| Balance at 1 Apr 2017 | 23,852 | 2,701 | 123,568 | (439) | 149,682 | 2,185 | 151,867 |
| Total comprehensive income for the period | | | | | | | |
| Profit for the period, net of tax | - | - | 3,958 | - | 3,958 | 497 | 4,455 |
| Other comprehensive income for the period | - | - | - | (118) | (118) | (1) | (119) |
| Total | - | - | 3,958 | (118) | 3,840 | 496 | 4,336 |
| Transactions with owners, recognised directly in equity | | | | | | | |
| Appropriations | - | 19 | (19) | - | - | - | - |
| Dividends paid | - | - | (3,503) | - | (3,503) | - | (3,503) |
| Total | - | 19 | (3,522) | - | (3,503) | - | (3,503) |
| Others | | | | | | | |
| Dividends declared to non-controlling interests | - | - | - | - | - | - | - |
| Total | - | - | - | - | - | - | - |
| Balance at 30 Jun 2017 | 23,852 | 2,720 | 124,004 | (557) | 150,019 | 2,681 | 152,700 |
| COMPANY | | | | | | | |
| | Share capital | Statutory surplus reserve | Retained earnings | Currency translation reserve | Attributable to owners of the company | Non-controlling interests | Total |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Balance at 1 Apr 2016 | 23,852 | - | 41,354 | - | 65,206 | - | 65,206 |
| Profit for the period, net of tax, representing total comprehensive income for the period | - | - | (4) | - | (4) | - | (4) |
| Dividends paid, representing transactions with owners recognised directly in equity | - | - | (2,335) | - | (2,335) | - | (2,335) |
| Balance at 30 Jun 2016 | 23,852 | - | 39,015 | - | 62,867 | - | 62,867 |
| Balance at 1 Apr 2017 | 23,852 | - | 45,703 | - | 69,555 | - | 69,555 |
| Profit for the period, net of tax, representing total comprehensive income for the period | - | - | 92 | - | 92 | - | 92 |
| Dividends paid, representing transactions with owners recognised directly in equity | - | - | (3,503) | - | (3,503) | - | (3,503) |
| Balance at 30 Jun 2017 | 23,852 | - | 42,292 | - | 66,144 | - | 66,144 |

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.

| | 30/6/2017 | 31/12/2016 |
|-------------------------|--------------------|--------------------|
| Balance as at 1 January | 233,550,248 | 233,550,248 |
| Issue of shares | - | - |
| Balance as at | <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 2016.

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

During the current financial year, the group has adopted all the new and revised standards that are relevant to its operations and effective for annual periods beginning on or after January 1, 2017. The adoption of these new/revised standards does not result in significant changes to the group's and company's accounting policies and has no material effect on the amounts reported for the current or prior years.

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: -

| | 3 months ended | | 6 months ended | |
|------------------------------------------------------------------------------------------------|----------------|--------|----------------|--------|
| | Jun'17 | Jun'16 | Jun'17 | Jun'16 |
| Earnings per Ordinary Share for the period based on net profit attributable to shareholders :- | | | | |
| i) Based on the weighted average number of ordinary shares on issue (cents) | 1.69 | 1.15 | 3.00 | 2.44 |
| ii) On a fully diluted basis (cents) | 1.69 | 1.15 | 3.00 | 2.44 |

Note

- The earnings per ordinary share ("EPS") for the period ended June 30, 2017 has been calculated on weighted average number of ordinary shares in issue of 233,550,248 (2016 : 233,550,248) ordinary shares
- Fully diluted EPS for the period ended June 30, 2017 is calculated on 233,550,248 (2016 : Diluted EPS is calculated at 233,550,248) ordinary shares assuming all the fully exercise of employee shares option during the year and adjusting for the number of ordinary shares in issue to reflect the effect of all potentially dilutive 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 | |
|-------------------------------------------------------------------------------------------|-----------|-----------|-----------|-----------|
| | Jun'17 | Dec'16 | Jun'17 | Dec'16 |
| Net asset value per ordinary share based on issued share capital at the end of the period | 64.23 cts | 63.02 cts | 28.32 cts | 29.76 cts |

Note: The net asset value per ordinary share for the period ended June 30, 2017 have been calculated based on the issued share capital of 233,550,248 shares (2016 : 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

2Q FY 2017 vs 2Q FY 2016

For the second quarter ended 30 June 2017, the Group achieved total revenue of \$44.9 million, 3.3% higher than the \$43.5 million achieved in the same period last year.

The Print-related business accounted for 54.3% of the Group's revenue and the Non-print business contributed the remaining 45.7%. In terms of geographical perspective, the Singapore operations continued to be the main contributor and it accounted for 59.9% of the Group's revenue. The China operations remained as the second largest contributor, accounting for 27.3% of the Group's revenue.

For the Print-related business, revenue increased by 0.7% from \$24.2 million to \$24.4 million whilst revenue for the Non-print business increased by 6.4% from \$19.0 million to \$20.3 million. The increase in the Print segment revenue was mainly due to increase in demand from some existing customers in China. For the Non-Print business, the growth was mainly due to increase in demand from some existing customers in Singapore and China.

The Group's operating profit before tax for the second quarter ended 30 June 2017 increased by 31.4% from \$4.2 million to \$5.5 million.

1H FY 2017 vs 1H FY 2016

For the half year ended 30 June 2017, the Group achieved total revenue of \$89.6 million, 4.3% higher than the \$85.8 million achieved in the same period last year.

The Print-related business accounted for 55.0% of the Group's revenue and the Non-print business contributed the remaining 45.0%. In terms of geographical perspective, the Singapore operations continued to be the main contributor and it accounted for 59.5% of the Group's revenue. The China operations remained as the second largest contributor, accounting for 28.1% of the Group's revenue.

For the Print-related business, revenue increased by 1.4% from \$48.6 million to \$49.2 million whilst revenue for the Non-print business increased by 8.2% from \$36.8 million to \$39.8 million. The increase in the Print segment revenue was mainly due to increase in demand from some existing customers in China. For the Non-Print business, the growth was mainly due to increase in demand from some existing customers in Singapore and China.

The Group's operating profit before tax for the first half ended 30 June 2017 increased by 16.9% from \$8.6 million to \$10.1 million for the same period in the previous year.

For the Print-related business, operating profit before tax (after allocation of corporate services performance) increased by 3.9% from \$3.0 million to \$3.1 million mainly due to allocation of corporate services performance.

For the Non-print business, operating profit before tax (after allocation of corporate services performance) increased by 23.7% from \$5.7 million to \$7.0 million. The increase in operating profit was mainly due to increases in revenue attributed to higher demand from some existing customers.

The Group's other income for the half year ended 30 June 2017 increased by 13.8% from \$0.7m to \$0.8m. This was mainly due to the gain on sale of plant and equipment.

The Group's depreciation and amortisation expenses remained at \$4.6 million when compared to the corresponding period last year.

Statement of Financial Position

Total assets decreased 6.0% from \$206.5 million as at 31 December 2016 to \$194.2 million as at 30 June 2017.

Current assets decreased 11.1% from \$109.0 million as at 31 December 2016 to \$97.0 million as at 30 June 2017. The decrease was mainly due to the decrease in cash and cash equivalents, lower trade and other receivables and lower inventories level.

Cash and cash equivalents decreased 13.0% to \$36.8 million as of 30 June 2017 as compared to \$42.4 million as at 31 December 2016. This was mainly due to payment to creditors and repayment of bank loans.

Trade and other receivables decreased slightly by 0.6% from \$46.6 million in the previous year to \$46.3 million as at 30 June 2017, mainly due to subsequent collection in the current financial year.

Inventories decreased 31.2% from \$20.1 million to \$13.8 million over the same corresponding period, due to the one-time warehouse storage and distribution project. As at 30th June 2017, for this one-time project, \$5.2 million (RMB \$25.0 million) of the inventories have been sold and shipped out to the customer.

Non-current assets decreased 0.3% from \$97.5 million as at 31 December 2016 to \$97.2 million as at 30 June 2017. This was primarily due to the decrease in property, plant and equipment offset by the increase in other assets.

Property, plant and equipment decreased \$2.9 million (or 3.8%) from \$74.9 million as at 31 December 2016 to \$72.0 million as at 30 June 2017. The reductions were a result of the depreciation charges for the current financial period.

Other assets increased \$2.6 million (or 675.6%) from \$0.4 million as at 31 December 2016 to \$3.0 million as at 30 June 2017. The increase was mainly due to down payment for machineries in Singapore and China.

Total liabilities decreased 26.5% from \$56.4 million as at 31 December 2016 to \$41.5 million as at 30 June 2017. Current liabilities decreased 28.0% from \$52.8 million to \$38.0 million and non-current liabilities decreased 5.6% from \$3.7 million to \$3.5 million. The decrease in liabilities was mainly due to the repayment of bank loans, finance leases and the payment of trade and other payables and taxes. Trade and other payables were higher as at 31 December 2016 due to the higher inventory holdings which were funded by the one-time cash advance from the customer for the one-time warehouse storage and distribution project. As at 30 June 2017, this one-time project has been completed.

Statement of Cash Flows

For the half year ended 30 June 2017, the Group generated positive cash flow of \$6.7 million from operations after working capital changes. It was \$12.8 million for the same period in the previous year. This decrease was mainly attributed to the paying down of trade and other payables from the completion of the one-time warehouse storage and distribution project and extended customers' credit terms.

During this period, the Group continued to invest \$1.9 million in plant and equipment. These include motor vehicle, factory equipment in Singapore and additional plant & equipment for subsidiaries in China and Indonesia.

The Group's net cash flow from financing activities registered a higher negative cash flow of \$6.8 million compared to a negative cash flow of \$5.9 million for the same period in the previous year. This was mainly due to higher dividends paid to shareholders offset by lower dividends paid by our China subsidiary to the non-controlling interests and lower repayment of bank loans.

The Group's debt to equity ratio has correspondingly decreased from 9.4% as at 31 December 2016 to 7.5% as at 30 June 2017.

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 2016.

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 current local and global economic outlook remains uncertain. The stiff competition in the region continues to result in downward pressure on pricing, whilst the rising operating cost would further squeeze our margins. The management will continue to take steps to be competitive and seek new upstream activities to widen revenue sources, in addition to managing its cost structure.

Barring any unforeseen circumstances, the Directors expect the Group to remain profitable for FY 2017.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

| | | |
|--------------------------------------|---|-----------------------|
| Name of dividend | : | Interim |
| Dividend Type | : | Cash |
| Dividend amount per share (in cents) | : | 0.5 cent |
| Tax rate | : | Tax exempt (one-tier) |
| Date paid | : | Refer to para 11(c) |

(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 | : | Interim |
| Dividend Type | : | Cash |
| Dividend amount per share (in cents) | : | 0.5 cent |
| Tax rate | : | Tax exempt (one-tier) |
| Date paid | : | 9 September 2016 |

(c) Date payable

To be announced later.

(d) Books closure date

To be announced later.

12. If no dividend has been declared/recommended, a statement to that effect

Not Applicable

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

The company 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 six months ending June 30, 2017, 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
August 10, 2017
Singapore