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".

teckwah **TECKWAH INDUSTRIAL CORPORATION LTD**

First Half Ended 30 June 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			Group		
	S$'000		%	S$'000		%
	Q2 FY2019		incr/	6 months ended 30 Jun		incr/
	2019	2018	(decr)	2019	2018 (Restated)	(decr)
Revenue	41,259	40,925	0.8	78,654	81,676	(3.7)
Investment income	-	-	-	-	-	-
Other income including interest income :-	586	411	42.6	1,200	692	73.4
(i) Gain on sale of plant & equipment included in other income	43	111	(61.3)	94	111	(15.3)
(ii) Interest income	98	65	50.8	155	134	15.7
(iii) Other income	445	235	89.4	951	447	112.8
Changes in inventories of FG & WIP	277	326	(15.0)	-	183	(100.0)
(i) (Allowance for) write-back of inventories	(40)	(13)	207.7	(62)	(19)	226.3
Raw materials and consumables used :-	(10,566)	(11,357)	(7.0)	(20,350)	(22,348)	(8.9)
(i) Write-back of (allowance for) inventories	(37)	35	(205.7)	(36)	45	(180.0)
Staff costs	(11,774)	(11,077)	6.3	(22,263)	(22,219)	0.2
Depreciation, amortisation and impairment expenses	(4,632)	(2,518)	84.0	(8,936)	(4,981)	79.4
Interest on borrowings	(270)	(74)	264.9	(432)	(104)	315.4
Other operating expenses :-	(11,453)	(12,634)	(9.3)	(21,280)	(25,910)	(17.9)
(i) Foreign exchange (loss) gain	(121)	631	(119.2)	(145)	423	(134.3)
(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	3,427	4,002	(14.4)	6,593	6,989	(5.7)

Income statement (continued)

		S$'000		%	S$'000		%
		Q2 FY2019		incr/	6 months ended 30 Jun		incr/
		2019	2018	(decr)	2019	2018 (Restated)	(decr)
l	Loss from associated companies	-	-	-	-	-	-
m	(Loss) profit from joint venture	18	42	(57.1)	52	40	30.0
n	Operating profit before income tax	3,445	4,044	(14.8)	6,645	7,029	(5.5)
o	Less income tax :-	(408)	(853)	(52.2)	(1,021)	(1,490)	(31.5)
	(i) Adjustment for over provision of tax in respect of prior periods.	331	(1)	n.m	341	9	n.m
p	Profit for the period	3,037	3,191	(4.8)	5,624	5,539	1.5
	Attributable to :-						
q	Owners of the company	2,297	2,763	(16.9)	4,548	4,747	(4.2)
r	Non-controlling interests	740	428	72.9	1,076	792	35.9

Statement of Comprehensive Income

	Group			Group		
	S$'000		%	S$'000		%
	Q2 FY2019		incr/	6 months ended 30 Jun		incr/
	2019	2018	(decr)	2019	2018 (Restated)	(decr)
Profit for the period	3,037	3,191	(4.8)	5,624	5,539	1.5
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	680	(207)	(428.5)	1,190	525	126.7
Other comprehensive income for the period	680	(207)	(428.5)	1,190	525	126.7
Total comprehensive income for the period	3,717	2,984	24.6	6,814	6,064	12.4
The comprehensive income attributable to :-						
Owners of the Company	3,055	2,604	17.3	5,764	5,138	12.2
Non-controlling Interests	662	380	74.2	1,050	926	13.4

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-19	31-Dec-18	30-Jun-19	31-Dec-18
	$'000	$'000	$'000	$'000
ASSETS				
Current assets:				
Cash and cash equivalents	37,279	36,052	6,068	5,422
Trade and other receivables	52,050	46,999	11,808	10,832
Inventories	12,566	13,429	-	-
Total current assets	101,895	96,480	17,876	16,254
Non-current assets:				
Other assets	5,037	2,703	-	-
Joint venture	4,193	4,179	4,216	4,216
Subsidiaries	-	-	22,915	19,797
Property, plant and equipment	71,552	72,563	32,564	34,213
Investment properties	4,165	4,240	2,311	2,357
Right-of-use assets	13,218	-	-	-
Land use rights	6,271	6,400	5,890	6,022
Intangible assets	2,361	-	-	-
Goodwill	9,958	6,691	5,982	-
Deferred tax assets	284	284	-	-
Total non-current assets	117,039	97,060	73,878	66,605
Total assets	218,934	193,540	91,754	82,859
LIABILITIES AND EQUITY				
Current liabilities:				
Trade and other payables	25,400	25,992	12,184	8,859
Bank loans	3,936	-	3,600	-
Finance leases	1,044	995	20	20
Lease liabilities	7,010	-	-	-
Income tax payable	2,490	2,655	441	701
Total current liabilities	39,880	29,642	16,245	9,580
Non-current liabilities:				
Bank loans	5,072	-	3,680	-
Finance leases	2,860	3,305	41	51
Lease liabilities	6,624	-	-	-
Deferred tax liabilities	2,751	2,742	857	856
Post employment benefits	485	490	-	-
Total non-current liabilities	17,792	6,537	4,578	907
Capital, reserves and non-controlling interests:				
Share capital	23,852	23,852	23,852	23,852
Statutory surplus reserve	3,037	3,015	-	-
Retained earnings	130,186	128,078	47,079	48,520
Currency translation reserve	(2,527)	(2,117)	-	-
Equity attributable to owners of the company	154,548	152,828	70,931	72,372
Non-controlling interests	6,714	4,533	-	-
Total equity	161,262	157,361	70,931	72,372
Total liabilities and equity	218,934	193,540	91,754	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 30/06/19		As at 31/12/18	
Secured	Unsecured	Secured	Unsecured
$'000	$'000	$'000	$'000
1,044	3,936	995	0

(b) the amount repayable after one year

As at 30/06/19		As at 31/12/18	
Secured	Unsecured	Secured	Unsecured
$'000	$'000	$'000	$'000
2,860	5,072	3,305	0

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		6 months ended 30 Jun	
	2019	**2018**	**2019**	**2018**
	S$'000	S$'000	S$'000	S$'000
Cash flow from operating activities:				
Profit before tax	3,445	4,044	6,645	7,029
Adjustments for :				
(Write-back) Write-down of inventories	77	(22)	98	(26)
Depreciation and amortisation expense	4,632	2,518	8,936	4,981
(Gain) Loss on disposal of property, plant and equipment	(42)	(111)	(94)	(111)
Share of (loss) profit from joint venture	(18)	(42)	(52)	(40)
Post employment benefits	-	(1)	-	(10)
Interest income	(98)	(65)	(155)	(134)
Finance costs for bank loan and finance leases	56	74	94	104
Finance costs for lease liabilities	214	-	338	-
Operating cash flows before movements in working capital	**8,266**	**6,395**	**15,810**	**11,793**
Trade and other receivables and other assets	(2,348)	(910)	(1,996)	1,078
Inventories	(481)	106	843	158
Trade and other payables	1,858	(1,702)	(3,246)	(6,678)
Cash generated from operations	**7,295**	**3,889**	**11,411**	**6,351**
Interest paid for bank loan and finance leases	(56)	(74)	(94)	(104)
Interest paid for lease liabilities	(214)	-	(338)	-
Income tax paid	(772)	(1,030)	(1,228)	(1,637)
Net cash from operating activities	**6,253**	**2,785**	**9,751**	**4,610**
Cash flow from investing activities:				
Interest received	98	65	155	134
Dividends received from joint venture	-	500	-	500
Proceeds from disposal of property, plant and equipment	217	135	136	135
Purchase of property, plant and equipment	(1,029)	(867)	(3,018)	(2,298)
Net cash flow on acquisition of subsidiaries	(6,439)	-	(6,439)	-
Net cash used in investing activities	**(7,153)**	**(167)**	**(9,166)**	**(1,529)**
Cash flows from financing activities:				
Dividends paid	(2,335)	(4,671)	(2,335)	(4,671)
Dividends paid to non-controlling interests	(495)	(619)	(495)	(619)
Repayment of bank loans	(64)	(352)	(70)	(626)
Proceeds from bank loans	6,970	386	7,863	679
Repayment of obligations under finance leases	(442)	(296)	(719)	(563)
Repayment of lease liabilities	(2,032)	-	(3,588)	-
Proceeds from finance leases	-	4,403	-	4,403
Net cash used in financing activities	**1,602**	**(1,149)**	**656**	**(1,397)**
Net increase (decrease) in cash and cash equivalents	702	1,469	1,241	1,684
Cash and cash equivalents at beginning of period	36,844	28,056	36,052	27,710
Effect of foreign exchange rate changes	(267)	(95)	(14)	36
Cash and cash equivalents at end of period	37,279	29,430	37,279	29,430

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 2018	**23,852**	**2,927**	**128,841**	**(418)**	**155,202**	**4,393**	**159,595**
Total comprehensive income for the period							
Profit for the period, net of tax	-	-	2,763	-	2,763	428	3,191
Other comprehensive income for the period	-	-	-	(159)	(159)	(48)	(207)
Total	**-**	**-**	**2,763**	**(159)**	**2,604**	**380**	**2,984**
Transactions with owners, recognised directly in equity							
Appropriations	-	24	(24)	-	-	-	-
Dividends paid	-	-	(4,671)	-	(4,671)	-	(4,671)
Total	**-**	**24**	**(4,695)**	**-**	**(4,671)**	**-**	**(4,671)**
Others							
Dividends declared to non-controlling interests	-	-	-	-	-	(619)	(619)
Total	**-**	**-**	**-**	**-**	**-**	**(619)**	**(619)**
Balance at 30 June 2018	**23,852**	**2,951**	**126,909**	**(577)**	**153,135**	**4,154**	**157,289**
Balance at 1 Apr 2019	**23,852**	**3,017**	**130,234**	**(1,659)**	**155,444**	**4,923**	**160,367**
Cumulative effects of adopting SFRS(I) 16			8		8		8
As adjusted at 1 Apr 2019	**23,852**	**3,017**	**130,242**	**(1,659)**	**155,452**	**4,923**	**160,375**
Total comprehensive income for the period							
Profit for the period, net of tax	-	-	2,297	-	2,297	740	3,037
Other comprehensive income for the period	-	-	-	(868)	(868)	(78)	(946)
Total	**-**	**-**	**2,297**	**(868)**	**1,429**	**662**	**2,091**
Transactions with owners, recognised directly in equity							
Appropriations	-	20	(18)	-	**2**	(2)	-
Dividends paid	-	-	(2,335)	-	(2,335)	-	(2,335)
Total	**-**	**20**	**(2,353)**	**-**	**(2,333)**	**(2)**	**(2,335)**
Others							
Acquisition of subsidiaries	-	-	-	-	-	1,626	1,626
Dividends declared to non-controlling interests	-	-	-	-	-	(495)	(495)
Total	**-**	**-**	**-**	**-**	**-**	**1,131**	**1,131**
Balance at 30 June 2019	**23,852**	**3,037**	**130,186**	**(2,527)**	**154,548**	**6,714**	**161,262**

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 2018	**23,852**	**-**	**45,908**	**-**	**69,760**	**-**	**69,760**
Profit for the period, net of tax, representing total comprehensive income for the period	-	-	744	-	744	-	744
Dividends paid, representing transactions with owners recognised directly in equity	-	-	(4,671)	-	(4,671)	-	(4,671)
Balance at 30 June 2018	**23,852**	**-**	**41,981**	**-**	**65,833**	**-**	**65,833**
Balance at 1 Apr 2019	**23,852**	**-**	**48,985**	**-**	**72,837**	**-**	**72,837**
Profit for the period, net of tax, representing total comprehensive income for the period	-	-	429	-	429	-	429
Dividends paid, representing transactions with owners recognised directly in equity	-	-	(2,335)	-	(2,335)	-	(2,335)
Balance at 30 June 2019	**23,852**	**-**	**47,079**	**-**	**70,931**	**-**	**70,931**

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		
	30/06/2019		30/06/2018
Balance as at 1 January	233,550,248		233,550,248
Issue of shares	-		-
Balance as at 30 June	233,550,248		233,550,248

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: -

	30/06/2019	30/06/2018
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)	1.95	2.03
ii) On a fully diluted basis (cents)	1.95	2.03

Note

a. The earnings per ordinary share ("EPS") for the period ended June 30, 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 June 30, 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	
Net asset value per ordinary share based on issued share capital at the end of the period	Jun'19	Dec'18	Jun'19	Dec'18
	66.17 cts	65.44 cts	30.37 cts	30.99 cts

Note: The net asset value per ordinary share for the period ended June 30, 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

Following the announcement on the acquisition of Profoto in early April 2019, the Group has since then completed the integration of Profoto into its business portfolio. Given the unique and vibrant nature of the business that Profoto brings, the Group has decided to present it as a separate business segment named Lifestyle.

The Lifestyle segment will consist of Teckwah subsidiaries that provide digital graphic printing, event set-ups, window-display, and project management services.

Income Statement

2Q FY 2019 vs 2Q FY 2018

For the second quarter ended 30 June 2019, the Group achieved total revenue of $41.3 million, 0.8% higher than the $40.9 million achieved in the same period last year.

The Packaging Printing-related business accounted for 50.7% of the Group's revenue while the Logistics and Services business contributed another 42.0% and the new Lifestyle business contributed the remaining 7.3%. In terms of geographical perspective, the Singapore operations continued to be the main contributor and it accounted for 56.0% of the Group's revenue. The China operations remained the second largest contributor, accounting for 26.8% of the Group's revenue.

For the Packaging Printing-related business, revenue decreased by 5.1% from $22.1 million to $20.9 million whilst revenue for the Logistics and Services business decreased by 8.1% from $18.9 million to $17.3 million. The new Lifestyle business has contributed $3.0 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 second quarter ended 30 June 2019 decreased by 14.8% from $4.0 million to $3.4 million for the same period in the previous year. This was mainly due to the decrease in revenue despite corresponding reduction in costs of operations and increase in other income. The addition of the Lifestyle business helped cushion the impact of the decline.

For the Packaging Printing-related business, operating profit before tax (after allocation of corporate services performance) decreased by 61.4% from $0.79 million to $0.31 million mainly due to the unfavorable forex movement and decrease in revenue despite reduction in costs of operations.

For the Logistics business, operating profit before tax (after allocation of corporate services performance) decreased by 8.1% from $3.25 million to $2.99 million. The decrease in operating profit was mainly due to the decrease in revenue despite corresponding reduction in costs of operations.

For the Lifestyle business, it has contributed $0.15 million to the Group's operating profit before tax.

The Group's other income for the second quarter ended 30 June 2019 increased by 42.6% from $0.41 million to $0.59 million. This was mainly due to higher other income in Singapore.

The Group's depreciation and amortisation expenses increased by 84.0% from $2.5 million to $4.6 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 Malaysia.

1H FY 2019 vs 1H FY 2018

For the half year ended 30 June 2019, the Group achieved total revenue of $78.7 million, 3.7% lower than the $81.7 million achieved in the same period last year.

The Packaging Printing-related business accounted for 52.4% of the Group's revenue while the Logistics and Services business contributed another 43.8% and the new Lifestyle business contributed the remaining 3.8%. In terms of geographical perspective, the Singapore operations continued to be the main contributor and it accounted for 55.7% of the Group's revenue. The China operations remained the second largest contributor, accounting for 28.2% of the Group's revenue.

For the Packaging Printing-related business, revenue decreased by 6.2% from $43.9 million to $41.2 million whilst revenue for the Logistics and Services business decreased by 8.8% from $37.8 million to $34.5 million. The new Lifestyle business has contributed $3.0 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 half year ended 30 June 2019 decreased by 5.5% from $7.0 million to $6.6 million for the same period in the previous year. This was mainly due to the decrease in revenue despite corresponding reduction in costs of operations and an increase in other income. The addition of the Lifestyle business helped cushion the impact of the decline.

For the Packaging Printing-related business, operating profit before tax (after allocation of corporate services performance) decreased by 33.3% from $0.86 million to $0.58 million mainly due to the decrease in revenue and unfavorable forex movement despite reduction in costs of operations in alignment with the drop in revenue and higher other income from Government Grants in China.

For the Logistics business, operating profit before tax (after allocation of corporate services performance) decreased by 4.0% from $6.17 million to $5.92 million. The decrease in operating profit was mainly due to the decrease in revenue despite corresponding reduction in costs of operations.

For the Lifestyle business, it has contributed $0.15 million to the Group's operating profit before tax.

The Group's other income for the first half ended 30 June 2019 increased by 73.4% from $0.69 million to $1.2 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 79.4% from $5.0 million to $8.9 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, Malaysia and Taiwan.

Statement of Financial Position

Total assets increased 13.1% from $193.5 million as at 31 December 2018 to $218.9 million as at 30 June 2019.

Current assets increased 5.6% from $96.5 million as at 31 December 2018 to $101.9 million as at 30 June 2019. The increase was mainly due to higher trade and other receivables and cash and cash equivalents offset by the decrease in lower inventories level.

Cash and cash equivalents increased slightly by 3.4% to $37.3 million as of 30 June 2019 as compared to $36.1 million as at 31 December 2018. This was mainly due to better cash management and lower inventory holding.

Trade and other receivables increased by 10.7% from $47.0 million in the previous year to $52.1 million as at 30 June 2019, mainly due to the addition of Profoto group of companies to the Group.

Inventories decreased 6.4% from $13.4 million to $12.6 million over the same corresponding period, due to better inventory management.

Non-current assets increased 20.6% from $97.1 million as at 31 December 2018 to $117.0 million as at 30 June 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 $13.2 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 $1.0 million (or 1.4%) from $72.6 million as at 31 December 2018 to $71.6 million as at 30 June 2019. Land use rights decrease $0.13 million (or 2.0%) from $6.4 million as at 31 December 2018 to $6.27 million as at 30 June 2019. This was mainly due to depreciation and amortisation charges for the current financial period.

Other assets increased $2.3 million (or 86.3%) from $2.7 million as at 31 December 2018 to $5.0 million as at 30 June 2019. The increase was mainly due to down payment for plant and equipment in China and income tax receivables in Indonesia.

Goodwill increased $3.3 million (or 48.8%) from $6.7 million as at 31 December 2018 to $10.0 million as at 30 June 2019 due to the acquisition of Profoto group of companies.

Intangible assets increased $2.4 million from nil as at 31 December 2018 to $2.4 million as at 30 June 2019 due to the acquisition of Profoto group of companies.

Joint venture in Malaysia increased $0.01 million (or 0.3%) from $4.18 million as at 31 December 2018 to $4.19 million as at 30 June 2019. The increase was mainly due to continuing profitability of the Joint Venture.

Total liabilities increased 59.4% from $36.2 million as at 31 December 2018 to $57.7 million as at 30 June 2019. Current liabilities increased 34.5% from $29.6 million to $39.9 million while non-current liabilities increased 172.2% from $6.5 million to $17.8 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 Profoto as well as warehouse unit.

Statement of Cash Flows

For the first half ended 30 June 2019, the Group generated positive cash flow of $11.4 million from operations after working capital changes. It was $6.4 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 inventories offset by lower cash flow generated from collection of trade and other receivables.

During this period, the Group continued to invest $3.0 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 inflow of $0.7 million compared to a net cash outflow of $1.4 million for the same period in the previous year. This was mainly due to additional bank loan, lower dividend payout, and lesser repayment of bank loan, offset by repayment for leases liabilities and lesser proceed from finance leases.

The Group's debt to equity ratio has increased from 2.8% as at 31 December 2018 to 8.35% as at 30 June 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 Sino-US trade war has slowed down growth in many economies in Asia Pacific while creating some opportunities in others. This has added downward pressure on our pricing and upward pressure on our operating costs through more intense competition. The management will continue to take steps to be competitive, widen revenue sources and manage its cost structure in this challenging time of uncertainty.

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	:	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 six months ending June 30, 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
August 13, 2019
Singapore