

Dynamic Colours Limited
Incorporated in the Republic of Singapore
(Company registration no. 199304233Z)
Full Year 2018 Financial Statement and Dividend Announcement
For the year ended 31 December 2018



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1.	Unaudited Financial Statements – 31 December 2018
1.(a)(i)	Statement of Comprehensive Income (Group) (An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year)

	Group		% Changes
	31-Dec-18	31-Dec-17	
	(US\$'000)	(US\$'000)	
Revenue	40,817	44,211	(7.7)
Cost of sales	(35,319)	(36,821)	(4.1)
Gross profit	5,498	7,390	(25.6)
Other income	495	295	67.8
Distribution expenses	(1,144)	(1,013)	12.9
Administrative expenses	(2,656)	(2,454)	8.2
Other operating expenses	(174)	(200)	(13.0)
Net finance (cost)/income	(146)	64	<i>n.m.</i>
Profit before tax	1,873	4,082	(54.1)
Income tax expense	(486)	(744)	(34.7)
Profit for the financial year	1,387	3,338	(58.4)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation differences for foreign operations	(140)	234	<i>n.m.</i>
	1,247	3,572	(65.1)
Profit attributable to:			
- Owner of the parent	1,387	3,338	(58.4)
- Non-controlling interests	-	-	-
	1,387	3,338	(58.4)
Total comprehensive income attributable to:			
- Owner of the parent	1,247	3,572	(65.1)
- Non-controlling interests	-	-	-
	1,247	3,572	(65.1)

n.m. – not meaningful

1.(a)(ii) Notes to the Statement of Comprehensive Income (Group)

	Group		% Changes
	31-Dec-18	31-Dec-17	
	(US\$'000)	(US\$'000)	
After charging and crediting:			
Depreciation of property, plant and equipment	1,353	1,556	(13.0)
Gain on disposal of property, plant and equipment	(1)	(7)	(85.7)
Amortisation of intangible assets	3	4	(25.0)
Amortisation of lease prepayments	39	45	(13.3)
Property, plant and equipment written off	5	-	<i>n.m.</i>
Finance income:			
Interest income	(27)	(24)	12.5
Foreign exchange gain, net	(46)	(106)	(56.6)
	(73)	(130)	(43.9)
Finance cost:			
Finance lease payable	3	3	-
Term loans	4	1	300.0
Trust receipts	81	62	30.6
Foreign exchange loss, net	131	-	<i>n.m.</i>
	219	66	231.8
Net finance cost/(income)	146	(64)	<i>n.m.</i>
Income tax expense:			
Current tax expense	441	855	(48.0)
Deferred tax expense	70	(39)	<i>n.m.</i>
Overprovision in prior financial years	(25)	(72)	(68.1)
	486	744	34.7

n.m. – not meaningful

1.(b)(i)	Statement of Financial Position (Group and Company)
	Statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group			Company	
	31-Dec-2018	31-Dec-2017	1-Jan-2017*	31-Dec-2018	31-Dec-2017
	(US\$'000)	(US\$'000)	(US\$'000)	(US\$'000)	(US\$'000)
Non-current assets					
Property, plant and equipment	14,748	15,588	16,418	2	-
Lease prepayments	1,429	1,474	672	-	-
Intangible assets	-	3	7	-	-
Deferred tax assets	39	-	-	-	-
Investment in subsidiaries	-	-	-	7,949	7,299
	16,216	17,065	17,097	7,951	7,299
Current assets					
Inventories	7,174	8,041	5,537	331	-
Trade and other receivables	6,873	7,233	8,051	14,662	15,662
Prepayments	86	96	134	3	5
Tax recoverable	156	-	-	-	-
Cash and bank balances	6,830	9,215	8,977	2,996	4,445
	21,119	24,585	22,699	17,992	20,112
Total assets	37,335	41,650	39,796	25,943	27,411
Equity					
Share capital	18,822	18,822	18,822	18,822	18,822
Reserves	2,080	2,066	1,832	152	152
Retained earnings	11,840	12,986	11,904	4,844	3,528
	32,742	33,874	32,558	23,818	22,502
Non-current liabilities					
Deferred tax liabilities	974	865	923	-	-
Finance lease payable	15	28	39	-	-
	989	893	962	-	-
Current liabilities					
Trade and other payables	3,453	5,120	5,507	2,105	3,684
Finance lease payable	13	11	10	-	-
Bank borrowings	-	1,070	-	-	1,070
Derivative financial instruments	-	-	142	-	-
Current income tax payable	138	682	617	20	155
	3,604	6,883	6,276	2,125	4,909
Total liabilities	4,593	7,776	7,236	2,125	4,909
Total equity and liabilities	37,335	41,650	39,796	25,943	27,411

*The Group has adopted the new Singapore Financial Reporting Standards (International) ("SFRS(I)") framework for the financial year ended 31 December 2018 and has applied SFRS(I) 1 with 1 January 2017 as the date of transition, which requires the first SFRS(I) financial statements to comprise of an opening SFRS(I) statement of financial position at the date of transition to SFRS(I)s. (Please refer to pages 7 and 8 for more details)

1.(b)(ii) Aggregate amount of Group's Borrowings and Debt Securities

Details of Group's liabilities	As at 31 December 2018			As at 31 December 2017		
	Secured (US\$'000)	Unsecured (US\$'000)	Total (US\$'000)	Secured (US\$'000)	Unsecured (US\$'000)	Total (US\$'000)
Amount repayable in one year or less, or on demand Interest bearing liabilities	-	-	-	-	2,720	2,720
Amount repayable in one year or less, or on demand Finance lease payable	13	-	13	11	-	11
Amount repayable after one year Finance lease payable	15	-	15	28	-	28

1.(c) Statement of Cash Flows (Group)			
Consolidated statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.			
		Group	
		31-Dec-18	31-Dec-17
		(US\$'000)	(US\$'000)
Operating activities			
Profit before tax		1,873	4,082
Adjustments for:-			
Write back of allowance for inventory obsolescence		-	(12)
Bad debt written off		-	88
Depreciation of property, plant and equipment		1,353	1,556
Amortisation of lease prepayments		39	45
Amortisation of intangible assets		3	4
Interest expense		88	66
Interest income		(27)	(24)
Gain on disposal of property, plant and equipment		(1)	(7)
Property, plant and equipment written off		5	-
Unrealised foreign exchange loss		-	17
Operating cash flows before movements in working capital		3,333	5,815
Changes in working capital:			
Inventories		820	(2,493)
Trade and other receivables		296	731
Prepayments		10	38
Trade and other payables		(17)	(758)
Cash generated from operations		4,442	3,333
Income tax paid		(1,116)	(735)
Net cash from operating activities		3,326	2,598
Investing activities			
Acquisition of property, plant and equipment		(588)	(701)
Acquisition of lease prepayment		-	(838)
Interest received		27	24
Proceeds from disposal of property, plant and equipment		11	58
Net cash used in investing activities		(550)	(1,457)
Financing activities			
Dividends paid		(2,379)	(2,256)
Interest paid		(88)	(66)
Deposit refunded/(pledged)		2	(21)
Repayment of finance lease payable		(14)	(10)
Proceeds from short-term loans		-	3,496
Repayment of short-term loans		(1,070)	(2,444)
Proceeds from trust receipts		10,012	11,537
Repayment of trust receipts		(11,662)	(11,307)
Net cash used in financing activities		(5,199)	(1,071)
Net change in cash and cash equivalents		(2,423)	70
Cash and cash equivalent at beginning of the financial year		9,021	8,804
Effect of foreign exchange rate changes on cash and cash equivalents		40	147
Cash and cash equivalents at end of the financial year (Note 1)		6,638	9,021

Note 1: Cash and cash balances per the Statement of Financial Position as at FY2018 includes fixed deposit pledged at US\$192K (FY2017: US\$194K)

1.(d)(i)	Statement of Changes in Equity (Group and Company) A statement (for the issuer and group) showing all changes in equity together with a comparative statement for the corresponding period of the immediately preceding financial year.
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Group	Share capital (US\$'000)	Foreign exchange reserve (US\$'000)	Statutory reserve (US\$'000)	Share-based payment reserve (US\$'000)	Retained earnings (US\$'000)	Total equity attributable to the company (US\$'000)
At 1 January 2018 (FRS)	18,822	867	1,680	152	12,353	33,874
Effect of transition to SFRS(I)s (Note 2)	-	(633)	-	-	633	-
At 1 January 2018 (SFRS(I))	18,822	234	1,680	152	12,986	33,874
Comprehensive income for the financial year						
Profit for the financial year	-	-	-	-	1,387	1,387
Foreign currency translation differences	-	(140)	-	-	-	(140)
Total comprehensive income for the financial year	-	(140)	-	-	1,387	1,247
Transactions with owners						
Dividend paid	-	-	-	-	(2,379)	(2,379)
Total transactions with owners	-	-	-	-	(2,379)	(2,379)
Transfer to statutory reserve	-	-	154	-	(154)	-
At 31 December 2018	18,822	94	1,834	152	11,840	32,742
Group						
Group	Share capital (US\$'000)	Foreign exchange reserve (US\$'000)	Statutory reserve (US\$'000)	Share-based payment reserve (US\$'000)	Retained earnings (US\$'000)	Total equity attributable to the company (US\$'000)
At 1 January 2017 (FRS)	18,822	633	1,680	152	11,271	32,558
Effect of transition to SFRS(I)s (Note 2)	-	(633)	-	-	633	-
At 1 January 2017 (SFRS(I))	18,822	-	1,680	152	11,904	32,558
Comprehensive income for the financial year						
Profit for the financial year	-	-	-	-	3,338	3,338
Foreign currency translation differences	-	234	-	-	-	234
Total comprehensive income for the financial year	-	234	-	-	3,338	3,572
Transactions with owners						
Dividend paid	-	-	-	-	(2,256)	(2,256)
Total transactions with owners	-	-	-	-	(2,256)	(2,256)
At 31 December 2017	18,822	234	1,680	152	12,986	33,874

Note 2: The Group adopted SFRS(I) for the financial year ending 31 December 2018 ("FY 2018") and has applied SFRS(I)1 with 1 January 2017 as the date of transition for the Group and the Company.

The Group has elected the optional exemption in SFRS(I)1 to reset its cumulative Foreign Currency Translation Reserve ("FCTR") for all foreign operations to NIL at the date of transition, and reclassify the cumulative FCTR of approximately \$0.63M as at 1 January 2017 as determined in accordance with the previous Financial Reporting Standards (FRS) at that date to retained earnings. After that date of transition, any gain or loss on disposal of any foreign operations will exclude translation differences that arose before the date of transition.

Company	Share capital (US\$'000)	Share - based payment reserve (US\$'000)	Retained earnings (US\$'000)	Total equity (US\$'000)
At 1 January 2018	18,822	152	3,528	22,502
Comprehensive income for the financial year				
Profit for the financial year	-	-	3,695	3,695
Total comprehensive income for the financial year	-	-	3,695	3,695
Transactions with owners				
Dividend paid	-	-	(2,379)	(2,379)
Total transactions with owners	-	-	(2,379)	(2,379)
At 31 December 2018	18,822	152	4,844	23,818

Company	Share capital (US\$'000)	Share - based payment reserve (US\$'000)	Retained earnings (US\$'000)	Total equity (US\$'000)
At 1 January 2017	18,822	152	3,564	22,538
Comprehensive income for the financial year				
Profit for the financial year	-	-	2,220	2,220
Total comprehensive income for the financial year	-	-	2,220	2,220
Transactions with owners				
Dividend paid	-	-	(2,256)	(2,256)
Total transactions with owners	-	-	(2,256)	(2,256)
At 31 December 2017	18,822	152	3,528	22,502

1.(d)(ii)	Changes in Share Capital (Group and Company)	
	(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 numbers 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.)	
	There are no changes in the Group and Company's share capital for the financial year ended 31 December 2017 and 2018.	
	The Group and Company have no treasury shares for the financial year ended 31 December 2017 and 2018.	
1.(d)(iii)	Number of Issued Shares excluding Treasury Shares	
	(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.)	
	Total number of issued shares as at 31 December 2018	209,971,310
	Total number of issued shares as at 31 December 2017	209,971,310
1.(d)(iv)	Sales, Transfers, Cancellations and/or use of Treasury Shares	
	(A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.)	
	Not applicable.	
1.(d)(v)	Sales, Transfers, Cancellation and/or use of Subsidiary Holdings	
	A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at end of the current financial period reported on.	
	Not applicable.	
2.	Audit – Whether figures have been audited or reviewed	
	(Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.)	
	The financial information for the current financial period has not been audited or reviewed by the Company's auditors.	

3.	Auditors' report (if audited) (Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter.)
	(Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter.)
	Not applicable.
4.	Accounting Policies (Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.)
	(Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.)
	<p>The Group's financial statements for the financial year ended 31 December 2018 is prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)") issued by the Accounting Standards Council ("ASC").</p> <p>Other than the adoption of the new framework and new SFRS(I)s, amendments and interpretations of SFRS(I)s which took effect from the current financial year, there were no changes in accounting policies and methods of computation adopted in the financial statements for the current reporting period as compared to the most recent audited annual financial statements for the year ended 31 December 2017</p>
5.	Changes in accounting policies (If there are any changes in the accounting policies and methods of computation, including any required by and accounting standard, what has changed, as well as the reasons for, and the effect of, the change.)
	(If there are any changes in the accounting policies and methods of computation, including any required by and accounting standard, what has changed, as well as the reasons for, and the effect of, the change.)
	<p>In adopting the new SFRS(I) framework with effect from 1 January 2018, the Group is required to apply the specific transition requirements in SFRS(I) 1 <i>First-time Adoption of International Financial Reporting Standards</i>.</p> <p>In addition, during the current financial year, the Group and the Company have adopted the following new SFRS(I)s, amendments and interpretations of SFRS(I)s which took effect from financial year beginning 1 January 2018:</p> <ul style="list-style-type: none"> - SFRS(I) 9 <i>Financial Instruments</i> - SFRS(I) 15 <i>Revenue from Contracts with Customers</i> and Amendments to SFRS(I) <i>Clarifications to SFRS(I) 15</i> <p>Except for SFRS(I) 1, the adoption of the above new SFRS(I)s, amendments and interpretations of SFRS(I)s is assessed to have no material impact to the results and financial position of the Group and of the Company for the year ended 31 December 2018.</p> <p>Please refer to the Statements of Changes in Equity for the Group on pages 7 and 8 for further details on the quantum of the respective adjustments made in relation to SFRS(I) 1.</p>

6.	Earnings per ordinary share (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.)
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	Group	
	31-Dec-18	31-Dec-17
Profit attributable to owners of the parent (<i>US\$'000</i>)	1,387	3,338
Number of ordinary shares (<i>'000</i>)		
As at 1 January	209,971	209,971
Issued during the year	-	-
As at 31 December	209,971	209,971
Earnings per ordinary share (US\$):		
(a) Based on weighted average number of ordinary shares on issue (cents)	0.66	1.59
(b) On a fully diluted basis (cents)	0.66	1.59
Earnings per ordinary share (S\$ equivalent)*		
(a) Based on weighted average number of ordinary shares on issue (cents)	0.90	2.13
(b) On a fully diluted basis (cents)	0.90	2.13
*S\$ equivalent, based on US\$ 1 = S\$1.3643 (2017 US\$ = S\$1.3370)		

7.	Net asset value per ordinary share (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.)
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	Group		Company	
	31-Dec-18	31-Dec-17	31-Dec-18	31-Dec-17
Net assets (<i>US\$'000</i>)	32,742	33,874	23,818	22,502
Number of ordinary shares (<i>'000</i>)	209,971	209,971	209,971	209,971
Net asset value per share:				
- in US cents	15.59	16.13	11.34	10.72
- in Singapore cents*	21.27	21.57	15.47	14.33
*S\$ equivalent, based on US\$ 1 = S\$1.3643 (2017 US\$1 = S\$1.3370)				

8.	<p>Review of performance of the Group (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:</p> <p>(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</p> <p>(b) Any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.)</p>
	Year ended 31 December 2018 ("FY2018") compared to the year ended 31 December 2017 ("FY2017")

	<p>Overview of Group's business</p> <p>The core businesses of Dynamic Colours Group ("the Group") are resin compounding and polyethylene packaging. Currently, our resin compounding ("RC") segment comprises our wholly owned subsidiaries in Suzhou, Vietnam and Malaysia, namely, Suzhou Huiye Plastic Industry Co., Ltd ("SHP"), Suzhou Huiye Chemical & Light Industry Co., Ltd ("SHC"), Huiye (Vietnam) Plastic Co., Ltd ("HVP") and Huiye Polymer (M) Sdn. Bhd. ("HPM"). Our polyethylene packaging ("PP") segment is represented by SL Packaging Industries Pte Ltd ("SLP") in Singapore and HPM in Malaysia.</p> <p>In FY2018, our RC segment accounted for 57.1% of the total Group revenue (FY2017: 56.1%) and 42.9% (FY2017: 43.9%) was contributed by the PP segment.</p>
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	<p>Statement of Comprehensive Income (Including full year results, where Group operates in more than one business segment and/or country where review has provided for any material changes in contribution to turnover and profits (by geographical and business segments).)</p>
	<p>In general, Group revenue decreased by US\$3.39M (7.7%), from US\$44.21M in FY2017 to US\$40.82M in FY2018, mainly due to reduction in overall sales tonnage.</p> <p>RC segment saw its revenue decrease by US\$1.51M (6.1%), from US\$24.79M to US\$23.29M for FY2018. The lower revenue was due to a reduction in sales tonnage by 19.9% despite RC average selling price increasing by 14.7% per tonnage.</p> <p>PP segment revenue reported a decline by US\$1.89M (9.7%) from US\$19.42M to US\$17.53M. The lower revenue was due to a drop in PP sales tonnage 10.8%, notwithstanding PP average selling price that rose marginally by 1.3% per tonnage.</p> <p>With the reduction in revenue, cost of sales also fell by US\$1.50M (4.1%) from US\$36.82M in FY2017 to US\$35.32M for FY2018. The less than proportionate decrease as compared to the revenue drop was due mainly to certain increases in raw material costs that were not passed on to customers. The resultant revenue and cost dynamics saw a slide in the overall gross profit margin from 16.7% to 13.5%.</p> <p>Gross profit for FY2018 was US\$5.50M as compared to US\$7.39M a year ago, a reduction of 25.6%.</p> <p>Other income increased significantly by US\$0.20M (67.8%) to US\$0.50M in FY2018. This was mainly arising from rental income.</p> <p>Distribution expenses increased by US\$0.13M (12.9%) from US\$1.01M to US\$1.14M mainly attributed to staff-related costs.</p> <p>Administrative expenses increased by 8.2% from US\$2.45M in FY2017 to US\$2.66M in FY2018. This is also due mainly to hike in staff costs.</p>

Finance income (represented by bank interest income and foreign exchange gain) decreased from US\$130K to US\$73K. Finance cost (made up of interest expenses and foreign exchange losses) increased from US\$66K to US\$219K. Overall, FY2018 reported a net finance cost position of US\$146K as compared to a net finance income position of US\$64K for the same period last year. These resulted from bank financing interest and net foreign exchange losses from translation.

As a result of the above, the Group's profit for the financial year decreased by 58.4% from US\$3.34M in FY2017 to US\$1.38M in FY2018. RC segment contributed 58.8% (2017: 49.4%) and PP segment accounted for 41.2% (2017: 50.4%) of the current year profit.

Statement of Financial Position

Overall, the total assets for the Group as at 31 December 2018 declined by US\$4.32M as compared to the same period last financial year as a result of decrease in cash and bank balances by US\$2.39M, property, plant and equipment by US\$0.84M and inventories by US\$0.87M.

The reduction in property, plant and equipment from US\$15.59M in FY2017 to US\$14.75M for FY2018 is mainly due to a combination of the Group depreciation charge of US\$1.35M partially offset by additions for the year of US\$0.59M.

The value of inventories decreased from US\$8.04M to US\$7.17M for the financial year due to lesser purchases of raw materials for the reporting period.

As for total liabilities of the Group, there was a reduction by US\$3.18M as at 31 December 2018 in comparison with a year ago. This was mainly attributed to a decrease in trade and other payables and full repayment of bank borrowings by US\$1.67M and US\$1.07M respectively. There was also a reduction in current income tax payable of US\$0.54M due to lower profit before tax.

The decrease in trade and other payables from US\$5.12M to US\$3.45M was largely due to lower purchases and more prompt repayment to suppliers.

Change in the equity of the Group of US\$1.13M from FY2017 to FY2018 was due to dividend paid and translation differences of US\$2.38M and US\$0.14M offset against profit of US\$1.38M.

During FY2018, the Group has adopted SFRS(I) that has applied SFRS(I)1 with 1 January 2017 as the date of transition for the Group. This has resulted in reclassification of cumulative foreign exchange reserve of \$0.63M to the retained earnings.

Statement of Cash Flows

Cash and cash equivalents saw a net decrease by US\$2.42M for FY2018. This was mainly the result of an absence in financing activities and incurring of some investing activities for the current year; partially offset by operating results and changes in working capital for the reporting period.

The cash flow used in financing activities did not witness any proceeds from short-term loans, unlike in the previous year's US\$3.50M. There were also lower proceeds from trust receipts of US\$1.53M in comparison with same period last year. Collectively, with lower borrowings and higher dividend payments in FY2018, the net financing cash flow resulted in an US\$5.20M outflow.

	<p>Cash flow used in investing activities in FY2018 did not see any acquisition of lease prepayment like last financial year as well as lower acquisition of property, plant and equipment. The net cash outflow of US\$0.55M from investing activities was largely due to the acquisition of property, plant and equipment in Vietnam and Malaysia.</p> <p>The profit before income tax of US\$1.87M for the Group increased the operating profit before movements in working capital to US\$3.34M after adjustment for mainly depreciation add-back. As a result of changes in working capital, mainly due to decrease in inventories, trade and other receivables, partially negated by increase in prepayments and income tax paid, the net positive cashflow from operating activities improved to US\$3.33M.</p>
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9.	Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.
	No forecast or prospect statement has been previously disclosed to shareholders.

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.
	Without exception, our business segments of RC and PP will be affected by the volatile macro-economic conditions and escalating uncertainties surrounding most businesses. The Management will continue to stay vigilant on these developments as well as consolidate its resources and capabilities to tap on any potentially viable business opportunities.

11.	Dividends
	(a) If a decision regarding dividend has been made?
	Yes.

Final dividends FY2018 (Recommended)	
Name of Dividend	Final Dividend 2018
Dividend Type	Ordinary
Dividend Amount per Share	S\$0.0050 per share
Par Value of Shares	N.A.
Tax Rate	Tax exempt (1 tier)
Date Declared/Announced	26/2/19
Books Closure Date	10/5/19
Date of payment	17/5/19
Amount to be paid in Singapore dollars	S\$1.05 million
Amount in US\$ (for accounting purposes)	US\$0.77 million

(b) Corresponding period of the immediately Preceding Financial Year

Final dividends FY2017 (Paid)	
Name of Dividend	Final Dividend 2017
Dividend Type	Ordinary
Dividend Amount per Share	S\$0.015 per share
Par Value of Shares	N.A.
Tax Rate	Tax exempt (1 tier)
Date Declared/Announced	23/2/18
Books Closure Date	8/5/18
Date of payment	15/5/18
Amount to be paid in Singapore dollars	S\$3.15 million
Amount in US\$ (for accounting purposes)	US\$2.38 million

(c) Date payable
17 May 2019.

(d) Books closure date
10 May 2019.

(e) The date on which Registrable Transfers received by the Company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.
9 May 2019.

12.	If no dividend has been declared/recommended, a statement to that effect.
	Not applicable.

13.	Interested Person Transactions (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.)
	There is no general mandate from shareholders. The value of IPT is below the threshold prescribed under Part III of Chapter 9 of Listing Manual.
14.	For announcement of interim financial statements (quarterly or half-yearly), the directors to confirm that, to the best of their knowledge, nothing has come to their attention of the board of directors which may render the interim financial results to be false and misleading, in material aspect.
	Not applicable as this is a full-year results announcement.
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).
	Pursuant to Listing Rule 720(1), the Company has received revised Letter of Undertakings from all its directors and executive officers in the form as set out in Appendix 7.7 of the SGX-ST Listing Manual.
16.	Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.
	<p>Segmented information is prepared in respect of the Group's operating and geographical segments. The operating segments are based on the Group's management and internal reporting structures.</p> <p>Inter-segment pricing is determined on mutually agreed terms.</p> <p>Segmented results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.</p>
(a)	Operating segments The group comprises the following main operating segments: <p>Resin compounding (RC): Manufacture and sale of compounded resins and toll compounding services.</p> <p>Polyethylene packaging (PP): Manufacture and sale of polyethylene packaging materials.</p>

	Resin compounding		Polyethylene packaging		Total	
	31-Dec-18	31-Dec-17	31-Dec-18	31-Dec-17	31-Dec-18	31-Dec-17
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
Segment revenue	23,288	24,795	17,529	19,416	40,817	44,211
Segment results	1,243	2,062	776	2,062	2,019	4,124
Finance income	43	22	30	2	73	24
Finance cost	(217)	(64)	(2)	(2)	(219)	(66)
Profit before income tax	1,069	2,020	804	2,062	1,873	4,082
Income tax expense	(266)	(371)	(220)	(373)	(486)	(744)
Profit for the financial year	803	1,649	584	1,689	1,387	3,338
Assets and liabilities						
Segment assets	22,625	26,990	14,710	14,660	37,335	41,650
Segment liabilities	3,247	5,958	1,346	1,819	4,593	7,777
Other material (non-cash items)						
Capital expenditure	500	1,476	88	62	588	1,538
Depreciation of property, plant and equipment	350	544	1,003	1,012	1,353	1,556

(b) Geographical segments	
	In presenting information on the basis of geographical segments, segment revenue is reported based on countries in which the revenue was sourced and non-current assets are based on the geographical location in which the business activities were being carried out.
	The Group's three operating segments operate in four main geographical areas:
	- Singapore – The Company is the holding company of the subsidiaries and is involved in the sale of plastic resins and polyethylene packaging materials.
	- People's Republic of China – The operations are principally manufacture and sale of compounded resins and toll compounding services.
	- Vietnam – The operations are principally manufacture and sale of compounded resins and toll compounding services.
	- Malaysia – The operations are principally manufacture and sale of compounded resins, toll compounding services and manufactures and sale of polyethylene packaging material.

	Revenue		Non-current assets	
	31-Dec-18 US\$'000	31-Dec-17 US\$'000	31-Dec-18 US\$'000	31-Dec-17 US\$'000
People's Republic of China	16,648	17,094	2,150	2,106
Singapore	15,086	18,594	1,943	205
Malaysia	6,179	4,410	8,851	11,520
Vietnam	2,315	3,425	3,272	3,234
Indonesia	589	688	N/A	N/A
	40,817	44,211	16,216	17,065

17.	In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.
	The factors leading to the material changes in contributions to revenue and earnings by business or geographical segments are stated under Section 8.

18. Breakdown of sales.

	Group		% Change
	31-Dec-18 US\$'000	31-Dec-17 US\$'000	
Revenue reported for first half year	20,631	21,933	(5.9)
Revenue reported for second half year	20,186	22,278	(9.4)
Total revenue reported for the year	40,817	44,211	(7.7)
Operating profit after tax reported for first half year	851	1,550	(45.1)
Operating profit after tax reported for second half year	536	1,788	(70.0)
Total operating profit after tax reported for the year	1,387	3,338	(58.4)

19. Breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

Please refer to Section 11 on Dividends above.

20. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Grace Yeo Jia Lin	29	Daughter of Mr. Yeo Hock Leng and Mdm. Goh Seok Eng	Assistant General Manager	No Change
Eddie Sim Jian Jie	32	Son in law of Mr. Yeo Hock Leng and Mdm. Goh Seok Eng	General Manager of RC Division	No Change

ON BEHALF OF THE BOARD

Yeo Hock Leng
Executive Chairman and Group Managing Director

26 February 2019