The original announcement is prepared in the English language. This announcement is translated into Chinese. In the event of any inconsistencies between the Chinese and the English version, the latter shall prevail.

TS WONDERS HOLDING LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1767)

ANNOUNCEMENT OF THE ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2018

LISTING ON THE STOCK EXCHANGE

The Company has been listed on the Stock Exchange since 14 January 2019 following completion of the share offer. The Net IPO Proceeds, as well as the corresponding increase in the number of Shares in issue, are not included in the consolidated financial statements of the Group for the year ended 31 December 2018.

FINANCIAL HIGHLIGHTS:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	2018 ***S$***	2017 *S$*	% of change
Revenue	**58,581,851**	55,511,946	5.5%
Listing expenses	**2,912,780**	–	–
Profit before taxation	**3,714,906**	7,202,451	-48.4%
Profit for the year	**2,136,994**	5,973,920	-63.2%

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	2018 ***S$***	2017 *S$*	% of change
Bank balances and cash	**4,025,006**	3,476,790	15.8%
Bank and other borrowings	**4,958,554**	1,557,540	218.4%
Net assets	**33,842,744**	31,621,827	7.0%

KEY FINANCIAL RATIOS

	2018	2017
Gross profit margin	**24.4%**	24.5%
Profit before taxation margin	**6.3%**	13.0%
Profit for the year margin	**3.6%**	10.8%
Return on total assets	**4.6%**	13.5%
Return on equity	**6.3%**	18.9%
Gearing ratio (times)	**0.1**	0.1
Current ratio (times)	**2.6**	2.3

FINANCIAL INFORMATION

The board (the "Board") of directors (the "Directors", each a "Director") of TS Wonders Holding Limited (the "Company") hereby announces the annual results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2018 together with the comparative figures for the year ended 31 December 2017 and selected explanatory notes. All amounts set out in this announcement are presented in Singapore Dollars ("S$") unless otherwise indicated.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2018

	Note	**2018**	2017
		S$	*S$*
Revenue	*5*	**58,581,851**	55,511,946
Cost of sales		**(44,262,918)**	(41,884,537)
Gross profit	*5*	**14,318,933**	13,627,409
Other income	*6*	**149,624**	162,877
Other gains and losses	*7*	**139,315**	190,527
Selling and distribution expenses		**(2,579,718)**	(2,222,493)
Administrative expenses		**(5,246,815)**	(4,428,809)
Listing expenses		**(2,912,780)**	–
Finance costs	*8*	**(153,653)**	(127,060)
Profit before taxation		**3,714,906**	7,202,451
Income tax expense	*9*	**(1,577,912)**	(1,228,531)
Profit for the year	*10*	**2,136,994**	5,973,920
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operation		**(16,601)**	185,465
Items that will not be reclassified subsequently to profit or loss:			
Revaluation of property, plant and equipment, net of tax		**432,528**	1,691,573
Other comprehensive income for the year		**415,927**	1,877,038
Total profit and other comprehensive income for the year		**2,552,921**	7,850,958
Basic and diluted earnings per share (S$ cents)	*12*	**0.27**	0.75

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2018

	Note	**2018** **S$**	2017 *S$*
ASSETS			
Non-current assets			
Property, plant and equipment		**17,974,631**	18,190,843
Investment property		**1,451,120**	1,447,368
		19,425,751	19,638,211
Current assets			
Inventories		**10,234,921**	11,438,186
Trade receivables	*13*	**10,851,673**	8,986,112
Other receivables, deposits and prepayments		**1,284,544**	633,007
Derivative financial instruments		**51,237**	7,271
Amount due from a related party		**–**	198,915
Amounts due from shareholders		**173,374**	–
Bank balances and cash		**4,025,006**	3,476,790
		26,620,755	24,740,281
LIABILITIES			
Current liabilities			
Trade and other payables	*14*	**5,227,444**	5,696,265
Derivative financial instruments		**61,985**	19,249
Amount due to a related party		**–**	17,434
Amounts due to shareholders		**–**	3,695,086
Obligations under finance leases		**13,765**	17,989
Bank and other borrowings		**4,083,125**	494,135
Income tax payable		**885,780**	845,629
		10,272,099	10,785,787
Net current assets		**16,348,656**	13,954,494
Non-current liabilities			
Obligations under finance leases		**2,551**	14,868
Bank and other borrowings		**875,429**	1,063,405
Deferred tax liabilities		**1,053,683**	892,605
		1,931,663	1,970,878
Net assets		**33,842,744**	31,621,827
EQUITY			
Capital and reserves			
Share capital		**2**	300,000
Other reserve		**(332,000)**	–
Merger reserve		**299,994**	–
Revaluation reserve		**11,653,314**	11,220,786
Translation reserve		**(1,574,503)**	(1,557,902)
Accumulated profits		**23,795,937**	21,658,943
		33,842,744	31,621,827

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2018

1 GENERAL

The Company was incorporated in the Cayman Islands as an exempted company and registered in the Cayman Islands with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as combined and revised) of the Cayman Islands on 19 April 2018. The Company was registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance (the "Companies Ordinance") (Chapter 622 of the Laws of Hong Kong) on 23 May 2018 and the principal place of business in Hong Kong is Room 901, 9th Floor, Prosperity Tower, No. 39 Queen's Road Central, Central, Hong Kong. Its registered office and principal place of business are located at PO Box 1350, Clifton House, 75 Fort Street, Grand Cayman KY1-1108, Cayman Islands and 255 Pandan Loop, Singapore 128433, respectively. The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") with effect from 14 January 2019 (the "Listing Date").

The Company is an investment holding company and its subsidiaries are principally engaged in the production, packaging and retailing of food products. Its parent and ultimate holding company is SWL Limited ("SWL") a company incorporated in the British Virgin Islands (the "BVI") with limited liability. Its ultimate controlling shareholders are Mr. Lim Fung Yee ("Mr. Winston Lim"), Mr. Lim Fung Chor ("Mr. Lawrence Lim"), Ms. Lim Seow Yen ("Ms. Sandy Lim"), Mdm. Han Yew Lang ("Mdm. Han"), Mr. Loo Soon Hock James ("Mr. James Loo") and Ms. Ong Liow Wah ("Ms. Jillian Ong"), all of them are family members (collectively known as the "Controlling Shareholders").

The consolidated financial statements are presented in S$, which is also the functional currency of the Company.

2 GROUP REORGANISATION AND BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

Prior to the group reorganisation (the "Group Reorganisation") scheme, Tai Sun Lim Kee Food Industries (M) Sdn. Bhd. ("TSF") and Treatz Food Sdn. Bhd. ("TZF") were held directly by Tai Sun (Lim Kee) Food Industries Pte. Ltd. ("TSS"), Mr. Winston Lim and Mr. Lawrence Lim of 64.4%, 17.8% and 17.8%, respectively whereas TSS was beneficially owned by the Controlling Shareholders.

On 23 April 2018, each of Mr. Winston Lim and Mr. Lawrence Lim transferred all his shares in TZF to TSS for a cash consideration of RM89,000 and RM89,000 respectively. Upon completion of the share transfer, TZF became a direct wholly-owned subsidiary of TSS.

On 24 April 2018, each of Mr. Winston Lim and Mr. Lawrence Lim transferred all his shares in TSF to TSS for a cash consideration of RM409,000 and RM409,000 respectively. Upon completion of the share transfer, TSF became a direct wholly-owned subsidiary of TSS.

Tai Sun Holding Limited ("TSH") was incorporated in the BVI with limited liability on 3 May 2018. On 10 May 2018, one share in TSH was allotted and issued to the Company, credited as fully paid. Upon completion of the share subscription, TSH was directly wholly-owned by the Company.

On 18 December 2018, the Controlling Shareholders transferred all his/her shares to TSH at the consideration of S$6, which was settled by the Company allotting and issuing 900 new shares, all credited as fully paid, to SWL at the directions from the Controlling Shareholders. Upon completion of the share transfer, TSS became an indirect wholly-owned subsidiary of the Company.

Pursuant to the Group Reorganisation detailed above, TSS and its subsidiaries were controlled by the Controlling Shareholders. As part of the Group Reorganisation, the Group has been under the common control of the Controlling Shareholders and is regarded as a continuing entity. Accordingly, the consolidated financial statements have been prepared to include the financial statements of the companies now comprising the Group as if the group structure upon the completion of the Group Reorganisation had been in existence throughout the period, or since their respective dates of incorporation or establishment where this is a shorter period.

3 ADOPTION OF NEW AND REVISED STANDARDS

New and amended International Financial Reporting Standards ("IFRS") IFRS Standards that are effective for the current year

Impact of initial application of IFRS 9 Financial Instruments

In the current year, the Group applied IFRS 9 Financial Instruments (as revised in July 2014) and the related consequential amendments to other IFRS Standards that are effective for an annual period that begins on or after 1 January 2018.

The application of IFRS 9 on 1 January 2018 has no impact on the consolidated financial position of the Group with regard to classification and measurement of financial instruments nor has any material additional impairment been recognised upon application of expected loss approach as at same date.

New and revised IFRS Standards in issue but not yet effective

At the date of authorisation of these financial statements, the Group has not applied the following new and revised IFRSs or IFRS Interpretations Committee Interpretation ("IFRIC") that have been issued but are not yet effective, which are relevant to the Group:

IFRS 16	Leases [1]
Amendments to IFRS 9	Prepayment Features with Negative Compensation [1]
IFRIC 23	Uncertainty over Income Tax Treatments [1]
Amendments to IFRS	Annual Improvement to IFS Standards 2015-2017 Cycle [1]

[1] Effective for annual periods beginning on or after 1 January 2019, with early application permitted.

Except as described below, the management of the Group considers that the application of the other new and revised standards and amendments is unlikely to have a material impact on the Group's financial position and performance as well as disclosure in the foreseeable future.

IFRS 16 Leases

General impact of application of IFRS 16 Leases

IFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. IFRS 16 will supersede IAS 17 Leases and the related interpretations when it becomes effective.

In contrast to lessee accounting, IFRS 16 substantially carries forward the lessor accounting requirements in IAR 17.

Impact of the new definition of a lease

The Group will make sure of the practical expedient available on transition to IFRS 16 not to reassess whether a contract is or contains a lease. Accordingly, the definition of a lease in accordance with IAS 17 and IFRIC 4 will continue to apply to those leases entered or modified before 1 January 2019.

The change in definition of a lease mainly relates to the concept of control. IFRS 16 distinguishes between leases and service contracts on the basis of whether the use of an identified asset is controlled by the customer. Control is considered to exist if the customer has:

– the right to obtain substantially all of the economic benefits from the use of an identified asset; and

– the right to direct the use of that asset.

The Group will apply the definition of a lease and related guidance set out in IFRS 16 to all lease contacts entered into or modified on or after 1 January 2019 (whether it is a lessor or a lessee in the lease contract). Based on preliminary assessment, management is of the view that the new definition in IFRS 16 will not change significantly the scope of contracts that meet the definition of a lease for the Group.

Impact on Lessee Accounting

Operating leases

IFRS 16 will change how the Group accounts for leases previously classified as operating leases under IAS 17, which were off-balance sheet.

On initial application of IFRS 16, for all leases (except as noted below), the Group will:

a) Recognise right-of-use assets and lease liabilities in the consolidated statement of financial position, initially measured at the present value of the future lease payments;

b) Recognise depreciation of right-of-use assets and interest on lease liabilities in the consolidated statement of profit or loss;

c) Separate the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within operating activities) in the consolidated cash flow statement.

Lease incentives (e.g. rent-free period) will be recognised as part of the measurement of the right-of-use assets and lease liabilities whereas under IAS 17 they resulted in the recognition of a lease liability incentive, amortised as a reduction of rental expenses on a straight-line basis.

Under IFRS 16, right-of-use assets will be tested for impairment in accordance with IAS 36 *Impairment of Assets*. This will replace the previous requirement to recognise a provision for onerous lease contracts.

For short term leases (lease term of 12 months or less) and leases of low value assets (such as personal computers and office furniture), the Group will opt to recognise a lease expense on a straight line basis as permitted by IFRS 16.

As at 31 December 2018, the Group has non cancellable operating lease commitments of S$1,902,558.

A preliminary assessment indicates that S$1,901,436 of these arrangements relate to leases other than short term leases and leases of low value assets, and hence the Group will recognise a right of use asset of S$918,373 and a corresponding lease liability of S$1,023,059 in respect of all these leases. The impact on profit or loss is to decrease administrative expenses by S$153,467, to increase depreciation by S$113,144 and to increase interest expense by S$55,863.

The preliminary assessment indicates that S$1,121 of these arrangements relate to short term leases and leases of low value assets.

Under IAS 17, all lease payments on operating leases are presented as part of cash flows from operating activities.

The impact of the changes under IFRS 16 would be to reduce the cash generated by operating activities and to increase net cash used in financing activities by the same amount.

Finance leases

The main differences between IFRS 16 and IAS 17 with respect to assets formerly under a finance lease is the measurement of the residual value guarantees provided by the lessee to the lessor. IFRS 16 requires that the Group recognises as part of its lease liability only the amount expected to be payable under a residual value guarantee, rather than the maximum amount guaranteed as required by IAS 17. Based on an analysis of the Group's finance lease as at 31 December 2018 on the basis of the facts and circumstances that exist at that date, the directors of the Company have assessed that the impact of this change will not have an impact on the amounts recognised in the Group's consolidated financial statements.

Impact on Lessor Accounting

Under IFRS 16, a lessor continues to classify leases as either finance leases or operating leases and account for those two types of leases differently. However, IFRS 16 has changed and expanded the disclosures required, in particular regarding how a lessor manages the risks arising from its residual interest in leased assets.

Based on a preliminary analysis, the directors of the Company have assessed that the application of this will not have material impact to the Group.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and the applicable disclosures required by the Companies Ordinance.

5. REVENUE AND SEGMENT INFORMATION

Revenue represents the fair value of amounts received and receivable from the sales of food products, which can largely be grouped under nuts and chips, also represents the revenue from contracts with customers.

Information is reported to the executive directors of the Company, which are also the Chief Operating Decision Maker of the Group, for the purposes of resource allocation and assessment of segment performance focuses on the types of products sold and in respect of the "Nuts" and "Chips" operations. In current year, the CODM starts to review the profits by type of product sold instead of overall results of the Group as a whole as compared to prior years. Accordingly, the comparative figure is disclosed with segment result. No operating segments have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group's reportable segments under IFRS 8 are as follows:

Nuts,

Chips,

Others.

Others mainly include items such as disposable towels which are normally sold together with the nuts and chips products to food and beverages companies.

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable segment:

	For the year ended 31 December			
	Revenue		**Gross profit**	
	2018	2017	**2018**	2017
	S$	*S$*	***S$***	*S$*
Nuts	**45,449,831**	43,158,435	**10,808,516**	9,338,373
Chips	**10,735,841**	10,223,122	**2,953,256**	3,765,384
Others	**2,396,179**	2,130,389	**557,161**	523,652
Total	**58,581,851**	55,511,946	**14,318,933**	13,627,409

Geographical information

The Group principally operates in Singapore and Malaysia, which are the place of domicile of respective group entities. Revenue from external customer is based on the geographical location of the end customers.

	For the year ended 31 December	
	2018	2017
	S$	*S$*
Singapore	**34,452,732**	32,853,619
Malaysia	**14,397,645**	13,126,229
The People's Republic of China (including Hong Kong)	**5,088,182**	4,559,952
Others *(Note)*	**4,643,292**	4,972,146
Total	**58,581,851**	55,511,946

Note:

Others include India, the United Kingdom and Indonesia.

6. OTHER INCOME

	2018	2017
	S$	*S$*
Government grants*	**36,428**	62,180
Interest income	**20,497**	19,850
Rental income	**80,629**	51,181
Others	**12,070**	29,666
	149,624	162,877

* The government grants received mainly comprise of the Wage Credit Scheme, the Special Employment Credit, and the Capability Development Grant, all of them are compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs.

7. OTHER GAINS AND LOSSES

	2018	2017
	S$	*S$*
(Loss)/gain on disposal of property, plant and equipment	**(2,700)**	4,784
Foreign exchange gain, net	**131,635**	299,544
Fair value gain/(loss) on derivative financial instruments	**10,380**	(113,801)
	139,315	190,527

8. FINANCE COSTS

	2018	2017
	S$	*S$*
Interest on bank overdrafts and borrowings	**150,415**	123,888
Interest on obligations under finance leases	**3,238**	3,172
	153,653	127,060

9. INCOME TAX EXPENSE

	2018	2017
	S$	*S$*
Tax expense comprises:		
Current income tax		
Current year	**1,472,980**	1,196,024
Underprovision in prior year	**–**	5,876
	1,472,980	1,201,900
Deferred tax		
Current year	**28,118**	28,056
Underprovision in prior year	**78,634**	–
Effect of revaluations of assets for taxation purposes	**(1,820)**	(1,425)
	104,932	26,631
	1,577,912	1,228,531

Singapore Corporate Income Tax ("CIT") is calculated at 17% of the estimated assessable profit and the subsidiaries in Singapore further eligible for CIT rebate of 50% of the tax payable, capped at S$15,000 for Year of Assessment 2018, and 20% capped at S$10,000 for Year of Assessment 2019, determined based on financial year end date of the group companies.

In Malaysia, the standard corporate tax rate is 24% for the year ended 31 December 2017 and 2018 which is applicable to companies incorporated in Malaysia with a paid-up capital of more than RM2,500,000. For Year of Assessment 2017 and Year of Assessment 2018, Malaysian subsidiaries are eligible for a reduction of between 1% and 4% on the standard tax rate for a portion of their income if there is an increase of 5% or more in the company's chargeable income from a business, compared to the immediately preceding Year of Assessment. The reduction in the tax rate will apply to the portion of chargeable income representing the increase.

The income tax expense for the year can be reconciled to the profit before taxation per the consolidated statements of profit or loss and other comprehensive income as follows:

	2018	2017
	S$	*S$*
Profit before taxation	**3,714,906**	7,202,451
Tax at applicable tax rate of 17%	**631,534**	1,224,417
Effect of different tax rates of subsidiaries operating in other jurisdiction	**79,740**	129,816
Tax effect of expenses not deductible for tax purpose	**937,442**	213,566
Tax effect of income not taxable for tax purpose	**(19,996)**	(9,932)
Tax effect of tax exemption under CIT	**(35,925)**	(57,019)
Effect of tax concessions and partial tax exemption	**(151,436)**	(284,782)
Under provision in prior year	**78,634**	5,876
Effect of revaluations of assets for taxation purposes	**(1,820)**	(5,740)
Others	**59,739**	12,330
	1,577,912	1,228,531

10. PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging:

	2018	2017
	S$	*S$*
Depreciation of property, plant and equipment		
Recognised as cost of sales	**1,374,771**	1,295,230
Recognised as administrative expenses	**270,933**	279,180
	1,645,704	1,574,410
Annual audit fees:		
– Paid to auditors of the Company	**160,000**	85,000
– Paid to other auditors	**23,517**	–
Audit fees in connection with the listing of the Company *(Note)*	**415,000**	–
Non-audit fees paid to auditors of the Company *(Note)*	**83,000**	–
Listing expenses *(Note)*	**2,912,780**	–
Directors' remuneration	**1,787,360**	1,346,798
Other staff costs		
– Salaries and other benefits	**5,065,634**	4,761,972
– Contributions to CPF and EPF	**432,558**	440,993
Total staff costs	**7,285,552**	6,549,763
Inventories recognised as cost of sales	**37,527,944**	35,826,406
Gross rental income from investment property	**(72,566)**	(43,455)

Note:

Included in the listing expenses are audit and non-audit fees of S$415,000 and S$83,000 paid to auditor of the Company respectively, and other assurance fees of S$365,000 paid to other auditor of the Group.

11. DIVIDENDS

	2018	2017
	S$	*S$*
Dividend proposed after the end of the reporting period:		
Proposed final dividend – HK0.2 cents (2017: Nil) per ordinary share	**348,600**	–

The proposed final dividend for the year ended 31 December 2018 has been calculated by reference to 1,000,000,000 shares in issue at 25 March 2019 and is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

12. EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to owners of the Company is based on the following data:

	2018	2017
Earnings:		
Profit for the year attributable to owners of the Company (S$)	**2,136,994**	5,973,920

	2018	2017
Number of shares:		
Weighted average number of ordinary shares in issue *(Note)*	**800,000,000**	800,000,000
Basic and diluted earnings per share *(S$ cents)*	**0.27**	0.75

Note:

The calculation of basic earnings per share for the years ended 31 December 2018 and 2017 is based on the profit for the year attributable to owners of the Company and the weighted average number of shares in issue.

The weighted number of ordinary shares for the purpose of calculating basic earnings per share for the year ended 31 December 2017 had been determined on the assumption that the Group Reorganisation to enable the Company to become the holding Company of the Group had been effective on 1 January 2017 and 800,000,000 shares in issue upon completion of the Group Reorganisation.

Diluted earnings per share is the same as the basic earnings per share because the Group has no dilutive securities that are convertible into shares for the years ended 31 December 2018 and 2017.

13. TRADE RECEIVABLES

	2018	2017
	S$	*S$*
Trade receivables	**10,851,673**	8,986,112

The Group grants credit terms to customers typically ranging from 7 to 60 days from the invoice date for trade receivables and certain sales require payment in at cash upon delivery. The following is an aged analysis of trade receivables presented (based on the invoice date) which approximated the revenue recognition date at the end of each reporting period:

	2018	2017
	S$	*S$*
Within 30 days	**5,568,133**	3,873,169
31 days to 60 days	**4,226,041**	4,356,870
61 days to 90 days	**823,123**	663,598
91 days to 180 days	**193,249**	44,455
181 days to one year	**41,127**	48,020
	10,851,673	8,986,112

14. TRADE AND OTHER PAYABLES

	2018	2017
	S$	S$
Trade payables	**3,072,114**	4,275,812
Trade accruals	**131,690**	404,632
	3,203,804	4,680,444
Accrued operating expenses	**551,642**	587,297
Accrued listing costs	**1,012,214**	–
Other payables		
– Advances from customers	**76,809**	140,278
– Deposits received	**11,401**	11,833
– Goods and services tax payables	**146,236**	–
– Others	**225,338**	276,413
	2,023,640	1,015,821
	5,227,444	5,696,265

The credit period on purchases from suppliers is between 7 to 30 days or payable upon delivery.

The following is an aged analysis of trade payables presented (based on the invoice date) at the end of each reporting period:

	2018	2017
	S$	S$
Within 30 days	**2,469,111**	3,269,535
31 days to 90 days	**577,483**	1,004,544
91 days to 180 days	**25,520**	1,733
	3,072,114	4,275,812

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group which is headquartered in Singapore is primarily focused on the production, packaging and sale of nuts and chips with track record of more than 50 years. The Group's core products include roasted nuts, baked nuts, potato chips and cassava chips. The Group's products have been sold and distributed to over 10 countries, including Singapore, Malaysia, the People's Republic of China (the "PRC"), India, the United Kingdom and Indonesia. The Group principally sells its products on a wholesale basis to (i) key account customers which include supermarkets, hotels, airline and original equipment manufacturer (OEM) customers; and (ii) distributors.

The Group is committed to delivering high quality and safe food products and continuously meeting consumers' expectations and complying with legal requirements. It implements comprehensive and strict quality assurance procedures throughout all stages of the production, from the procurement of raw materials to the packaging and delivery of the finished products. In this regard, the Group has been accredited with various certifications in relation to quality management and food safety.

The Group's revenue increased by approximately S$3.1 million or 5.5% from approximately S$55.5 million for the year ended 31 December 2017 to approximately S$58.6 million for the year ended 31 December 2018 mainly due to a later Chinese New Year period which fell in the middle of February 2018 which led to a longer period of ramp up sales in the beginning of 2018 as compared to the year ended 31 December 2017 whereby Chinese New Year period fell in the end of January 2017.

Products

The Group's revenue was primarily derived from the sale of nuts and chips. The following table sets forth a breakdown of the Group's revenue for the years ended 31 December 2017 and 31 December 2018:

	For the year ended 31 December			
	2018		2017	
	S$	***%***	*S$*	*%*
Nuts	**45,449,831**	**77.6%**	43,158,435	77.7%
Chips	**10,735,841**	**18.3%**	10,223,122	18.4%
Others *(Note)*	**2,396,179**	**4.1%**	2,130,389	3.9%
Total	**58,581,851**	**100.0%**	55,511,946	100.0%

Note: Others mainly refer to items such as disposable towels which were normally sold together with nuts and chips products to food and beverages companies.

The sale of nuts and chips products accounted for approximately 77.6% and 18.3% of revenue respectively for the year ended 31 December 2018. The product mix between the sale of nuts and chips were relatively stable for the two years ended 31 December 2018.

Geographical location

The Group's products are sold and distributed to customers in over 10 countries. The table below sets forth the breakdown of revenue by geographical location of end customers for the years ended 31 December 2017 and 31 December 2018:

	For the year ended 31 December			
	2018		2017	
	S$	***%***	*S$*	*%*
Singapore	**34,452,732**	**58.8%**	32,853,619	59.2%
Malaysia	**14,397,645**	**24.6%**	13,126,229	23.6%
The PRC (including Hong Kong)	**5,088,182**	**8.7%**	4,559,952	8.2%
Others *(Note)*	**4,643,292**	**7.9%**	4,972,146	9.0%
Total	**58,581,851**	**100.0%**	55,511,946	100.0%

Note: Others include India, the United Kingdom and Indonesia.

The Group's products were largely sold in Singapore and Malaysia which accounted for approximately 58.8% and 24.6% of total revenue respectively for the year ended 31 December 2018. The composition of sales by geographical location of end consumers for the year ended 31 December 2018 was relatively stable as compared to the previous year ended 31 December 2017.

Gross profit

The following table sets forth a breakdown of the Group's gross profit for the years ended 31 December 2017 and 31 December 2018:

	For the year ended 31 December					
	2018			2017		
	Revenue	**Gross Profit**	**Gross Profit margin**	Revenue	Gross Profit	Gross Profit margin
	S$	***S$***	***%***	*S$*	*S$*	*%*
Nuts	**45,449,831**	**10,808,515**	**23.8%**	43,158,435	9,338,373	21.6%
Chips	**10,735,841**	**2,953,256**	**27.5%**	10,223,122	3,765,384	36.8%
Others	**2,396,179**	**557,162**	**23.3%**	2,130,389	523,652	24.6%
Total	**58,581,851**	**14,318,933**	**24.4%**	55,511,946	13,627,409	24.5%

The pricing of the Group's nuts and chips products are generally based on prices comparable to competitors for similar products. In addition, the cost of fresh potatoes and cassava roots are generally lower than the cost of raw nuts, thereby resulting in a lower cost of producing chips products. The percentage of cost of materials to revenue for chips products was lower as compared to the percentage of cost of materials to revenue for nuts products. As such, chips products recorded a higher gross profit margin as compared to nuts products.

The Group's gross profit margin for chips decreased from approximately 36.8% for the year ended 31 December 2017 to approximately 27.5% for the year ended 31 December 2018 mainly due to depreciation of the S$ against the Euro (which was one of the main currencies in which purchases of fresh potatoes were denominated within the year) as well as increase in raw material prices.

Outlook and Strategies

The Group's business objectives are to maintain sustainable growth in its business and create long-term shareholders' value. The Group intends to achieve a higher growth in the future by expanding and strengthening its market position in the snacks industry, through (i) the production and launch of tortilla chips, a new chips product range by leveraging its branding and production capability strength; and (ii) increase the production capacity and sales of nuts and potato chips products.

As stated in the Company's prospectus dated 31 December 2018 (the "Prospectus"), demand for snack products with less sugar, artificial sweeteners and flavourings such as savoury snacks over the years has seen stronger growth in terms of revenue for Singapore, Malaysia and the PRC as consumers strive to eat better. Demand for chip products, notably potato and tortilla chips, are expected to increase in tandem with the overall savoury snacks segment in Singapore, Malaysia and the PRC. Potato and tortilla chips are made from ingredients, such as potato, wheat and corn, and generally contain less sugar, artificial sweeteners and flavourings as compared to sweet snacks. In addition, chip products can generally be offered in differing flavours and packaging sizes, allowing the products to cater to a wider range of snack consumers with differing preferences. For tortilla chips, the chips became popular within the savoury snack market during the late 1990s, and has been gaining in momentum since to become the second most popular chip after potato chips within the savoury snack market. Notably, the chips can be consumed with a variety of dips, such as salsa, which adds flavour to the chips and provides a unique taste experience over other snack products. This serves as a key differentiating factor for tortilla chips over other snack products, contributing to its popularity within the savoury snacks segment and to urban millennials. As such, these factors are expected to bode well for the demand for chips products, such as potato and tortilla chips, and subsequently the savoury snacks segment in Singapore, Malaysia and the PRC.

FINANCIAL REVIEW

Revenue

The Group's revenue increased by approximately S$3.1 million or 5.5% from approximately S$55.5 million for the year ended 31 December 2017 to approximately S$58.6 million for the year ended 31 December 2018 mainly due to a later Chinese New Year period which fell in the middle of February 2018 which led to a longer period of ramp up sales in the beginning of 2018 as compared to the year ended 31 December 2017 whereby Chinese New Year period fell in the end of January 2017.

Cost of sales

The Group's cost of sales increased by approximately S$2.4 million or 5.7% from approximately S$41.9 million for the year ended 31 December 2017 to approximately S$44.3 million for the year ended 31 December 2018 mainly due to the increase in cost of materials as the Group acquired more materials to fulfill increased orders from its customers during the year, consistent with the increase in revenue.

Gross profit

The Group's total gross profit increased by approximately S$0.7 million or 5.1% from approximately S$13.6 million for the year ended 31 December 2017 to approximately S$14.3 million for the year ended 31 December 2018 in line with the increase in revenue. The Group's overall gross profit margin was stable at approximately 24.4% to 24.5% for the two years ended 31 December 2018.

Other income

The Group's other income decreased by approximately S$13,000 or approximately 8.1% from approximately S$163,000 for the year ended 31 December 2017 to approximately S$150,000 for the year ended 31 December 2018 mainly due to reduction in government grant under the Special Employment Credit Scheme as the number of entitled staffs under the Special Employment Credit Scheme decreased.

Other gains and losses

The Group's other gains and losses decreased by approximately S$51,000 or approximately 26.9% from approximately S$191,000 for the year ended 31 December 2017 to approximately S$139,000 for the year ended 31 December 2018 mainly due to lower recognition of exchange gain from the appreciation of S$ against US$ and AUD.

Selling and distribution

Selling and distribution expenses increased by approximately S$0.4 million or 16.1% from approximately S$2.2 million for the year ended 31 December 2017 to approximately S$2.6 million for the year ended 31 December 2018 mainly due to promotional activities for the Group's Nature's Wonders products in Malaysia following its launch in Malaysia in the fourth quarter of 2017.

Administrative expenses

Administrative expenses increased by approximately S$0.8 million or approximately 18.5% from approximately S$4.4 million for the year ended 31 December 2017 to approximately S$5.2 million for the year ended 31 December 2018 mainly due to increment of salaries and allowances to staffs which led to the increase in staff cost and increase in purchase of machinery parts for the repair and maintenance of machineries.

Listing expenses

The Group incurred and recognised listing expenses of approximately S$2.9 million for the year ended 31 December 2018.

Finance costs

Finance costs increased by approximately S$27,000 or 20.9% from approximately S$127,000 for the year ended 31 December 2017 to S$154,000 for the ended 31 December 2018 due to higher bank borrowings as the Group utilised trade financing facilities to repay suppliers.

Income tax expense

Income tax expense increased from approximately S$1.2 million for the year ended 31 December 2017 to approximately S$1.6 million for the year ended 31 December 2018 mainly due to the tax effect of expenses not deductible for tax purposes which mainly comprised of the listing expenses.

Profit for the year

Profit for the year decreased by approximately S$3.8 million or 64.2% from approximately S$6.0 million for the year ended 31 December 2017 to approximately S$2.1 million for the year ended 31 December 2018 mainly due to the one-off non-recurring listing expenses which were incurred during the year.

Assuming the listing expenses for the year ended 31 December 2018 was excluded, the adjusted profit for the year of the Group for the year ended 31 December 2018 will amount to approximately S$5.0 million. Although there was an increase in revenue and gross profit for the year ended 31 December 2018, the adjusted profit for the year was 15.5% or S$0.9 million lower than the previous year mainly due to the increase in administrative expenses and selling and distribution expenses as discussed above.

Liquidity and capital resources

Prior to the listing of the Company on the Stock Exchange, the Group's source of funds for its operations mainly came from cash generated from operations, bank borrowings and funds advanced by the executive Directors. The Group's primary uses of cash are for working capital needs and purchase of property, plant and equipment. Upon the listing, the Group's source of funds will be a combination of internal generated funds, bank borrowings and net proceeds from the share offer. As part of the Group's liquidity risk management, the Group monitors its working capital to ensure that its financial obligations can be met when due by (i) ensuring a healthy bank balances and cash for payment of its short-term working capital needs; (ii) monitoring trade receivables and its aging monthly and following up closely to ensure prompt payment from customers; and (iii) monitoring bank and finance lease payments.

As at 31 December 2017 and 2018 respectively, the Group maintained its current ratio, being current assets over current liabilities above 2.0 times.

Bank Borrowings

As at 31 December 2018, the bank borrowings amounted to approximately S$5.0 million, which was higher as compared to approximately S$1.6 million as at 31 December 2017, mainly due to utilisation of trade financing facilities to repay suppliers. Although there was an increase in bank borrowings as at 31 December 2018 as compared to 31 December 2017, the Group maintained a relatively low gearing ratio, based on interest-bearing bank borrowings divided by net assets, at approximately 0.1 times as at 31 December 2018.

CONTINGENT LIABILITIES

As at 31 December 2017 and 31 December 2018, the Group provided performance guarantee to certain customers with balances amounted to approximately S$0.4 million respectively.

PLEDGE OF ASSETS

The Group has pledged leasehold building, freehold land and building to secure general banking facilities granted to the Group with carrying values of S$11.6 million and S$11.8 million as at 31 December 2017 and 31 December 2018 respectively.

CAPITAL EXPENDITURES AND COMMITMENTS

During the year ended 31 December 2018, the Group had incurred capital expenditures of approximately S$0.9 million as compared to approximately S$1.4 million in the year ended 31 December 2017. The expenditures were mainly related to the purchase of property, plant and equipment to support the growth of the Group's business.

The Group has no capital commitments as at 31 December 2018.

SIGNIFICANT INVESTMENTS

The Group did not hold any significant investments as at 31 December 2017 and 31 December 2018.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

For the year ended 31 December 2018, the Group did not have any material acquisitions or disposals of subsidiaries and associated companies, save for the reorganisation of the Group with details set forth in the Prospectus.

EVENTS AFTER THE REPORTING PERIOD

Subsequent to 31 December 2018, the following significant events took place:

On 14 January 2019, a total of 799,999,000 new shares were allotted and issued, credited as fully paid at par, to the sole shareholder by way of capitalisation of a sum of HK$7,999,990 standing to the credit of the share premium account of the Company, and that such shares to rank *pari passu* in all respects with the then existing issued shares of the Company.

On 14 January 2019, 200,000,000 new ordinary shares with a par value of HK$0.01 each of the Company were issued at a price of HK$0.50 by way of share offer. On the same date, the Company's shares were listed on the Main Board of the Stock Exchange.

USE OF PROCEEDS FROM LISTING

The Company's shares have been listed on the Stock Exchange since 14 January 2019, being the Listing Date, and the net proceeds from the share offer (after deducting listing expenses) amounted to approximately HK$66.8 million (equivalent to approximately S$11.7 million) (the "Net IPO Proceeds"). As the Company was listed after the year ended 31 December 2018, there was no proceeds raised as at 31 December 2018. As at the date of this announcement, the Group is in the process of implementing its business strategies as set out in the Prospectus and the Net IPO Proceeds will be applied in accordance with the proposed application as set out in the Prospectus.

As at the date of this announcement, the unutilised Net IPO Proceeds were deposited with a licensed bank in Singapore.

FOREIGN EXCHANGE EXPOSURE

As the Group sells a majority of its food products overseas in which these sales are principally denominated in US$ and sources its main materials in which these purchases are principally denominated in US$, Euro and AUD, the Group is exposed to foreign currency exchange fluctuations arising in the normal course of its business operations.

The Group generally hedges 30% of its expected monthly sales and purchases denominated in foreign currencies.

The Group has a committee in place, comprising of its finance manager and its executive Directors. The committee meets regularly from time to time when necessary and is responsible for reviewing, researching and studying the future foreign exchange rates and the methods of hedging. In deciding whether to enter into any foreign currency hedging transactions, the committee will undertake a cautious approach and will consider factors including (i) the expected sales and purchases denominated in foreign currencies; (ii) the historical foreign exchange rates; and (iii) the perceived future foreign exchange rates. The finance manager keeps track of the Group's hedging activities and all hedging contracts have to be approved by the Executive Directors. As sales and purchases will continue to be denominated in foreign currencies, the Group expects that it will continue to enter into hedging arrangements where necessary.

FINAL DIVIDEND

The Board has recommended the payment of a final dividend of 0.2 Hong Kong cents per ordinary share for the year ended 31 December 2018 (the "2018 Final Dividend"), representing a total payment of approximately HK$2.0 million (equivalent to approximately S$0.3 million). The payment of the 2018 Final Dividend is subject to the approval of the shareholders of the Company at the annual general meeting to be held.

ANNUAL GENERAL MEETING

The annual general meeting of the Company (the "AGM") will be held at 10:00 a.m. on Monday, 3 June 2019 at 255 Pandan Loop, Singapore 128433 and the notice of the AGM will be published and despatched in accordance with the requirements under the Company's articles of association and the Listing Rules in due course.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the Shareholders' rights to attend and vote at the AGM, the register of members of the Company will be closed from Wednesday, 29 May 2019 to Monday, 3 June 2019, both days inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the AGM, non-registered Shareholders must lodge all completed transfer documents accompanied by the relevant share certificates with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m., on Tuesday, 28 May 2019.

For determining the entitlement of the proposed final dividend, the register of members of the Company will also be closed from Monday, 10 June 2019 to Wednesday, 12 June 2019, both days inclusive, during which period no transfer of Shares shall be effected. In order to qualify for the proposed final dividend, non-registered Shareholders must lodge all completed transfer documents accompanied by the relevant share certificates with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Thursday, 6 June 2019.

EMPLOYEES AND REMUNERATION POLICIES

The Group had 225 employees and 218 employees as at 31 December 2017 and 31 December 2018 respectively. Remuneration is determined by reference to prevailing market terms and in accordance with the performance, qualification and experience of each individual employee. The Company has adopted a share option scheme (the "Share Option Scheme") on 20 December 2018 to enable the Board to grant share options to eligible participants with an opportunity to have a personal stake in the Company with a view to achieve the following objectives: (i) motivate the eligible participants to optimise their performance efficiency for the benefit of the Group; and (ii) attract and retain or otherwise maintain an ongoing business relationship with the eligible participants whose contributions are or will be beneficial to the long-term growth of the Group.

As at the date of this announcement, there was no outstanding share option granted under the Share Option Scheme.

PURCHASE, SALE OR REDEMPTION OF SHARES

Since 14 January 2019, being the Listing Date, and up to the date of this announcement, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company.

CORPORATE GOVERNANCE

The Company is committed to fulfilling its responsibilities to its shareholders and protecting and enhancing shareholders' value through good corporate governance.

The Directors recognise that a good corporate governance is essential for the Company to achieve its objectives and drive improvement, as well as maintain legal and ethical standing in the eyes of shareholders, regulators and the general public.

The Company has been listed on the Stock Exchange since 14 January 2019. The Company has adopted the Corporate Governance Code contained in Appendix 14 to the Listing Rules.

To the best of the knowledge of the Board, the Company has complied with the Corporate Governance Code since the Listing Date and up to the date of this announcement.

INTERESTS OF COMPLIANCE ADVISER

As notified by the Company's compliance adviser, Vinco Capital Limited (the "Compliance Adviser"), except for the compliance adviser agreement entered into between the Company and the Compliance Adviser dated 20 December 2018, the Compliance Adviser nor its directors, employees or close associates had any interests in relation to the Company, which is required to be notified to the Company pursuant to the Listing Rules.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as its own code of conduct governing the Directors' securities transactions. All the Directors have confirmed, upon specific enquiries made by the Company, that they have complied with the Model Code during the period from the Listing Date and up to the date of this announcement.

REVIEW BY THE AUDIT COMMITTEE

The Company established an Audit Committee on 20 December 2018 with written terms of reference in compliance with the Corporate Governance code. The primary duties of the Audit Committee are to review the financial information of the Group, oversee the Group's financial report system, risk management and internal control procedures, provide advice and comments to the Board, and monitor the independence and objective of the external auditor.

The Audit Committee consists of three members who are all independent non-executive Directors, namely, Mr. Chan Ka Yu, Mr. Lee Yan Fai and Mr. Chew Keat Yeow. Mr. Chan Ka Yu is the chairman of the Audit Committee. The Audit Committee has reviewed the consolidated financial statements for the year ended 31 December 2018. The Audit Committee was of the opinion that the preparation of such results complied with applicable accounting standards and requirements as well as the Listing Rules and relevant adequate disclosures have been made.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

The annual results announcement of the Company is published on the website of the Stock Exchange (www.hkexnews.hk) and on the website of the Company (www.taisun.com.sg). The annual report of the Company for the year ended 31 December 2018 containing all the relevant information required by the Listing Rules will be despatched to the shareholders of the Company and published on the websites of the Stock Exchange and the Company in due course.

By order of the Board,
TS Wonders Holding Limited
Lim Seow Yen
Chairlady and Executive Director

Hong Kong, 25 March 2019

As at the date of this announcement, the Board comprises seven Directors, including four executive Directors, namely Ms. Lim Seow Yen, Mr. Lim Fung Yee, Mr. Lim Fung Chor and Mr. Lim Seng Chye (Lin Shengcai) and three independent non-executive Directors, namely Mr. Chan Ka Yu, Mr. Lee Yan Fai and Mr. Chew Keat Yeow (Zhou Jieyao).