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 2019

FINANCIAL HIGHLIGHTS:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	2019 *S$*	2018 *S$*	% of change
Revenue	**61,058,604**	58,581,851	4.2%
Listing expenses	**785,196**	2,912,780	–
Profit before taxation	**4,082,824**	3,714,906	9.9%
Profit for the year	**2,908,371**	2,136,994	36.1%

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	2019 *S$*	2018 *S$*	% of change
Bank balances and cash	**16,310,340**	4,025,006	305.2%
Bank and other borrowings	**2,750,495**	4,958,554	-44.5%
Net assets	**51,583,887**	33,842,744	52.4%

KEY FINANCIAL RATIOS

	2019	2018
Gross profit margin	**25.3%**	24.4%
Profit before taxation margin	**6.7%**	6.3%
Profit for the year margin	**4.8%**	3.6%
Return on total assets	**4.5%**	4.6%
Return on equity	**5.6%**	6.3%
Gearing ratio (times)	**0.1**	0.1
Current ratio (times)	**5.1**	2.6

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 2019 together with the comparative figures for the year ended 31 December 2018 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 2019

	Note	**2019** ***S$***	2018 *S$*
Revenue	*4*	**61,058,604**	58,581,851
Cost of sales		**(45,586,465)**	(44,262,918)
Gross profit	*4*	**15,472,139**	14,318,933
Other income	*5*	**171,878**	149,624
Other gains and losses	*6*	**(64,474)**	139,315
Selling and distribution expenses		**(3,151,317)**	(2,579,718)
Administrative expenses		**(7,377,449)**	(5,246,815)
Listing expenses		**(785,196)**	(2,912,780)
Finance costs	*7*	**(182,757)**	(153,653)
Profit before taxation		**4,082,824**	3,714,906
Income tax expense	*8*	**(1,174,453)**	(1,577,912)
Profit for the year	*9*	**2,908,371**	2,136,994
Other comprehensive income			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operation		**(32,944)**	(16,601)
Item that will not be reclassified subsequently to profit or loss:			
Revaluation of property, plant and equipment, net of tax		**115,644**	432,528
Other comprehensive income for the year		**82,700**	415,927
Total profit and other comprehensive income for the year		**2,991,071**	2,552,921
Basic and diluted earnings per share (S$ cents)	*11*	**0.29**	0.27

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2019

	Note	**2019**	2018
		S$	*S$*
ASSETS			
Non-current assets			
Property, plant and equipment		**19,769,323**	17,974,631
Right-of-use assets		**1,175,915**	–
Investment property		**1,283,880**	1,451,120
Deposit		**194,390**	–
		22,423,508	19,425,751
Current assets			
Inventories		**12,426,169**	10,234,921
Trade receivables	*12*	**12,377,622**	10,851,673
Other receivables, deposits and prepayments		**607,875**	1,284,544
Amounts due from shareholders		**–**	173,374
Derivative financial instruments		**2,502**	51,237
Bank balances and cash		**16,310,340**	4,025,006
		41,724,508	26,620,755
LIABILITIES			
Current liabilities			
Trade and other payables	*13*	**6,515,860**	5,227,444
Amount due to a related party		**6,432**	–
Derivative financial instruments		**69,215**	61,985
Lease liabilities		**190,772**	–
Obligations under finance leases		**–**	13,765
Bank and other borrowings		**447,756**	4,083,125
Income tax payable		**1,017,706**	885,780
		8,247,741	10,272,099
Net current assets		**33,476,767**	16,348,656
Total assets less current liabilities		**55,900,275**	35,774,407
Non-current liabilities			
Lease liabilities		**1,121,528**	–
Obligations under finance leases		**–**	2,551
Bank and other borrowings		**2,302,739**	875,429
Deferred tax liabilities		**892,121**	1,053,683
		4,316,388	1,931,663
Net assets		**51,583,887**	33,842,744
EQUITY			
Capital and reserves			
Share capital		**1,725,820**	2
Share premium		**13,487,471**	–
Other reserve		**(332,000)**	(332,000)
Merger reserve		**299,994**	299,994
Revaluation reserve		**11,768,958**	11,653,314
Translation reserve		**(1,607,447)**	(1,574,503)
Accumulated profits		**26,241,091**	23,795,937
		51,583,887	33,842,744

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2019

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. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

The annual results set out in the announcement do not constitute the Group's financial statements for the year ended 31 December 2019 but are extracted from those financial statements.

The financial statements have been prepared in accordance with all applicable International Financial Reporting Standards ("IFRS") which collective term includes all applicable individual IFRS, International Accounting Standards ("lAS") and Interpretations issued by the International Accounting Standards Board ("IASB"). These financial statements also comply with the disclosure requirements of the Companies Ordinance and the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules").

3. ADOPTION OF NEW AND REVISED STANDARDS

New and amended IFRS Standards that are effective for the current year

Impact of initial application of IFRS 16 Leases

In the current year, the Group applied IFRS 16 Leases and the related consequential amendments to other IFRS Standards that are effective for an annual period that begins on or after 1 January 2019.

IFRS 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to lessee accounting by removing the distinction between operating and finance lease and requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets when such recognition exemptions are adopted. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. The impact of the adoption of IFRS 16 on the Group's consolidated financial statements is described below.

The date of initial application of IFRS 16 for the Group is 1 January 2019.

The Group has applied IFRS 16 using the cumulative catch-up approach which:

- requires the Group to recognise the cumulative effect of initially applying IFRS 16 as an adjustment to the opening balance of retained earnings at the date of initial application; and

- does not permit restatement of comparatives, which continue to be presented under IAS 17 Leases and International Financial Reporting Interpretation ("IFRIC") 4 Determining Whether an Arrangement Contains a Lease.

(a) Impact of the new definition of a lease

The Group has made use 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 will continue to be applied to those leases entered or changed before 1 January 2019.

The change in definition of a lease mainly relates to the concept of control. IFRS 16 determines whether a contract contains a lease on the basis of whether the customer has the right to control the use of an identified asset for a period of time in exchange for consideration. This is in contrast to the focus on 'risks and rewards' in IAS 17 and IFRIC 4.

The Group applies the definition of a lease and related guidance set out in IFRS 16 to all lease contracts entered into or modified on or after 1 January 2019 (whether it is a lessor or a lessee in the lease contract). The new definition in IFRS 16 does not significantly change the scope of contracts that meet the definition of a lease for the group.

(b) Impact on Lessee Accounting

Former 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 as if the Standard had been applied since the commencement date but using incremental borrowing rate at date of initial application;

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

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*.

For short term leases (lease term of 12 months or less), the Group has opted to recognise a lease expense on a straight line basis as permitted by IFRS 16. This expense is presented within "Administrative expenses" item in profit or loss.

The Group has used the following practical expedients when applying the cumulative catch-up approach to leases previously classified as operating leases applying IAS 17.

- The Group has applied a single discount rate to a portfolio of leases with reasonably similar characteristics.

- The Group has excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application.

- The Group has used hindsight when determining the lease term when the contract contains options to extend or terminate the lease.

Former finance leases

For leases that were classified as finance leases applying IAS 17, the carrying amount of the leased assets and obligations under finance leases measured applying IAS 17 immediately before the date of initial application is reclassified to right-of-use assets and lease liabilities respectively without any adjustments, except in cases where the Group has elected to apply the low-value lease recognition exemption.

The right-of-use asset and the lease liability are accounted for applying IFRS 16 from 1 January 2019.

(c) Impact on Lessor Accounting

IFRS 16 does not change substantially how a lessor accounts for leases. 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 per annum.

(d) Financial impact of initial application of IFRS 16

The weighted average lessee's incremental borrowing rate applied to the lease liabilities recognised in the consolidated statement of financial position on 1 January 2019 is 5.3% per annum.

The following table shows the operating lease commitments disclosed applying IAS 17 at 31 December 2018, discounted using the incremental borrowing rate at the date of initial application and the lease liabilities recognised in the statement of financial position at the date of initial application.

	2019 ***S$***
Operating lease commitment at 31 December 2018	**1,902,558**
Less: Short-term leases	**(12,947)**
Less: Effect of discounting the above amounts	**(739,342)**
Less: Present value of the lease payments due in periods covered by extension options that are included in the lease term and not previously included in operating lease commitments	**122,743**
Lease liabilities recognised as at 1 January 2019	**1,273,012**
Analysed as:	
Current	**163,630**
Non-current	**1,109,382**
	1,273,012

Right-of-use assets were measured initially at the present value of the future lease payments as if the Standard had been applied since the commencement date. Consequently, right-of-use assets of S$1,157,423 were recognised on 1 January 2019, and the net impact on retained earnings of S$115,589 was recognised on 1 January 2019.

In the current year, the Group has applied a number of amendments to IFRS Standards and Interpretations issued by the IASB that are effective for an annual period that begins on or after 1 January 2019. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

New and revised IFRS Standards in issue but not yet effective

At the date of authorisation of these financial statemenets, the Group has not applied the following new and revised IFRSs that have been issued but are not yet effective, which are relevant to the Group:

IFRS 17	Insurance Contracts[1]
Amendments to IFRS 3	Definition of a Business[2]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to IAS 1 and IAS 8	Definition of material[4]
Amendments to IFRS 9, IAS 39, IAS 7	Interest Rate Benchmark Reform[4]
Conceptual Framework	Amendments to References to the Conceptual Framework in IFRS Standards[4]

1 Effective for annual periods beginning on or after 1 January 2021.

2 Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020.

3 Effective for annual periods beginning on or after a date to be determined.

4 Effective for annual periods beginning on or after 1 January 2020.

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Group in future periods.

4. 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 which 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 ("the CODM") 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	
	2019	2018	**2019**	2018
	S$	*S$*	***S$***	*S$*
Nuts	**46,966,438**	45,449,831	**11,776,815**	10,808,515
Chips	**11,651,116**	10,735,841	**2,994,081**	2,953,256
Others	**2,441,050**	2,396,179	**701,243**	557,162
Total	**61,058,604**	58,581,851	**15,472,139**	14,318,933

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	
	2019	2018
	S$	*S$*
Singapore	**36,495,611**	34,452,732
Malaysia	**15,184,101**	14,397,645
The People's Republic of China (including Hong Kong)	**5,416,606**	5,088,182
Others *(Note)*	**3,962,286**	4,643,292
Total	**61,058,604**	58,581,851

Note:

Others include India, the United Kingdom and Indonesia.

5. OTHER INCOME

	For the year ended 31 December	
	2019	2018
	S$	*S$*
Government grants*	**25,046**	36,428
Interest income	**64,272**	20,497
Rental income	**71,475**	80,629
Others	**11,085**	12,070
	171,878	149,624

* The government grants received mainly comprise of the Wage Credit Scheme and the Special Employment Credit. 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.

6. OTHER GAINS AND LOSSES

	For the year ended 31 December	
	2019	2018
	S$	*S$*
Loss on disposal of property, plant and equipment	**–**	(2,700)
Foreign exchange gain, net	**217,643**	131,635
Fair value loss on revaluation of investment property	**(165,452)**	–
Fair value (loss) gain on derivative financial instruments	**(116,665)**	10,380
	(64,474)	139,315

7. FINANCE COSTS

	For the year ended 31 December	
	2019	2018
	S$	*S$*
Interest on:		
– Bank loans	**104,212**	150,415
– Lease liabilities	**78,545**	–
– Obligations under finance leases	**–**	3,238
	182,757	153,653

8. INCOME TAX EXPENSE

	For the year ended 31 December	
	2019	2018
	S$	*S$*
Tax expense comprises:		
Current income tax		
Current year	**1,469,981**	1,472,980
Over provision in prior year	**(242,634)**	–
	1,227,347	1,472,980
Withholding tax	**2,771**	–
Deferred tax		
Current year	**(125,462)**	28,118
Under provision in prior year	**85,725**	78,634
Effect of revaluations of assets for taxation purposes	**(15,928)**	(1,820)
	(55,665)	104,932
	1,174,453	1,577,912

Singapore Corporate Income Tax ("CIT") is calculated at 17% of the estimated assessable profit and the subsidiaries in Singapore are further eligible for CIT rebate of 25% of the tax payable capped at S$15,000 for Year of Assessment 2020 and the CIT rebate of 20% capped at $10,000 for Year of Assessment 2019, which is determined based on financial year end date of the group of companies.

In Malaysia, the standard corporate tax rate is 24% for the year ended 31 December 2018 and 2019. For Year of Assessment 2019, the tax rate for resident small and medium-sized companies is 17% (reduced from 18% effective from Year of Assessment 2019) on the first RM 500,000 with the balance being taxed at 24%.

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:

	For the year ended 31 December	
	2019	2018
	S$	*S$*
Profit before taxation	**4,082,824**	3,714,906
Tax at applicable tax rate of 17%	**694,080**	631,534
Effect of different tax rates of subsidiaries operating in other jurisdiction	**225,449**	79,740
Tax effect of expenses not deductible for tax purpose	**513,048**	937,442
Tax effect of income not taxable for tax purpose	**(10,319)**	(19,996)
Tax effect of tax exemption under CIT	**(55,588)**	(35,925)
Effect of tax concessions	**(41,303)**	(151,436)
(Over) under provision in prior year	**(156,909)**	78,634
Effect of revaluations of assets for taxation purposes	**(15,928)**	(1,820)
Withholding tax	**2,771**	–
Others	**19,152**	59,739
	1,174,453	1,577,912

9. PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging (crediting):

	For the year ended 31 December	
	2019	2018
	S$	*S$*
Depreciation of property, plant and equipment		
Recognised as cost of sales	**1,425,594**	1,374,771
Recognised as administrative expenses	**269,436**	270,933
	1,695,030	1,645,704
Annual audit fee:		
– Paid to auditors of the Company	**202,000**	160,000
– Paid to other auditors	**14,000**	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
– Paid to other auditors	**15,600**	–
Listing expenses *(Note)*	**785,196**	2,912,780
Directors' remuneration	**3,147,964**	1,787,360
Other staff costs		
– Salaries and other benefits	**5,854,784**	5,065,634
– Contributions to Central Provident Fund and Employees Provident Fund	**478,405**	432,558
Total staff costs	**9,481,153**	7,285,552
Inventories recognised as cost of sales	**38,249,623**	37,527,944
Gross rental income from investment property	**(71,475)**	(72,566)

Amount recognised in profit or loss relating to leases

(Disclosure required by IFRS 16)

	2019
	S$
Depreciation expense on right-of-use assets	**199,081**
Interest expense on lease liabilities	**75,614**
Expense relating to short-term leases	**25,164**

The total cash outflow for leases amount to S$295,333.

(Disclosure required by IAS 17)

	2018
	S$
Payment recognised as an expense during the year:	
Minimum lease payments under operating leases	334,602

Note:

For the year ended 31 December 2018, the listing expenses are audit and non-audit fees of S$415,000 and S$83,000 respectively, paid to auditors of the Company, and other assurance fees of S$365,000 paid to other auditors of the Group.

10. DIVIDENDS

	For the year ended 31 December	
	2019	2018
	S$	*S$*
Dividends for ordinary shareholders of the Company declared and paid during the year:		
2018 Final – HK$0.2 cents (2017: nil) per share	**347,628**	–

11. EARNINGS PER SHARE

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

	For the year ended 31 December	
	2019	2018
Earnings:		
Profit for the year attributable to owners of the Company (S$)	**2,908,371**	2,136,994

	2019	2018
Number of shares:		
Weighted average number of ordinary shares in issue *(Note)*	**992,876,712**	800,000,000
Basic and diluted earnings per share (S$ cents)	**0.29**	0.27

Note:

The calculation of basic earnings per share for the years ended 31 December 2019 and 2018 is based on the profit for the year attributable to owners of the Company and the weighted average number of shares in issue.

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 2019 and 2018.

12. TRADE RECEIVABLES

	As at 31 December	
	2019	2018
	S$	*S$*
Trade receivables	**12,377,622**	10,851,673

As at 1 January 2018, trade receivables amounted to S$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:

	As at 31 December	
	2019	2018
	S$	*S$*
Within 30 days	**7,108,179**	5,568,133
31 days to 60 days	**4,249,289**	4,226,041
61 days to 90 days	**942,844**	823,123
91 days to 180 days	**53,169**	193,249
181 days to one year	**24,141**	41,127
	12,377,622	10,851,673

13. TRADE AND OTHER PAYABLES

	As at 31 December	
	2019	2018
	S$	*S$*
Trade payables	**3,576,835**	3,072,114
Trade accruals	**116,611**	131,690
	3,693,446	3,203,804
Accrued operating expenses	**2,385,890**	551,642
Accrued listing costs	**–**	1,012,214
Other payables:		
– Advances from customers	**–**	76,809
– Deposits received	**10,601**	11,401
– Goods and services tax payables	**186,758**	146,236
– Others	**239,165**	225,338
	2,822,414	2,023,640
	6,515,860	5,227,444

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:

	As at 31 December	
	2019	2018
	S$	*S$*
Within 30 days	**2,663,842**	2,469,111
31 days to 90 days	**739,651**	577,483
91 days to 180 days	**173,342**	25,520
	3,576,835	3,072,114

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$2.5 million or 4.2% from approximately S$58.6 million for the year ended 31 December 2018 to approximately S$61.1 million for the year ended 31 December 2019 mainly due to increased orders from certain OEM customers as they introduced new products to the market.

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 2018 and 31 December 2019:

	For the year ended 31 December			
	2019		2018	
	S$	***%***	*S$*	*%*
Nuts	**46,966,438**	**76.9%**	45,449,831	77.6%
Chips	**11,651,116**	**19.1%**	10,735,841	18.3%
Others *(Note)*	**2,441,050**	**4.0%**	2,396,179	4.1%
Total	**61,058,604**	**100.0%**	58,581,851	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 76.9% and 19.1% of revenue respectively for the year ended 31 December 2019. The product mix between the sale of nuts and chips were relatively stable for the two years ended 31 December 2019.

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 2018 and 31 December 2019:

	For the year ended 31 December			
	2019		2018	
	S$	***%***	*S$*	*%*
Singapore	**36,495,611**	**59.8%**	34,452,732	58.8%
Malaysia	**15,184,101**	**24.9%**	14,397,645	24.6%
The PRC (including Hong Kong)	**5,416,606**	**8.9%**	5,088,182	8.7%
Others *(Note)*	**3,962,286**	**6.4%**	4,643,292	7.9%
Total	**61,058,604**	**100.0%**	58,581,851	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 59.8% and 24.9% of total revenue respectively for the year ended 31 December 2019. The composition of sales by geographical location of end consumers for the year ended 31 December 2019 was relatively stable as compared to the previous year ended 31 December 2018.

Gross profit

The following table sets forth a breakdown of the Group's gross profit for the years ended 31 December 2018 and 31 December 2019:

	For the year ended 31 December					
	2019			2018		
	Revenue	**Gross Profit**	**Gross Profit margin**	Revenue	Gross Profit	Gross Profit margin
	S$	***S$***	***%***	*S$*	*S$*	*%*
Nuts	**46,966,438**	**11,776,815**	**25.1%**	45,449,831	10,808,515	23.8%
Chips	**11,651,116**	**2,994,081**	**25.7%**	10,735,841	2,953,256	27.5%
Others	**2,441,050**	**701,243**	**28.7%**	2,396,179	557,162	23.3%
Total	**61,058,604**	**15,472,139**	**25.3%**	58,581,851	14,318,933	24.4%

The pricing of the Group's nuts and chips products are generally based on prices comparable to competitors for similar products.

The Group's gross profit margin for nuts increased from approximately 23.8% for the year ended 31 December 2018 to approximately 25.1% for the year ended 31 December 2019 mainly due to lower average cost of certain raw nuts, as the Group purchased in bulk from its suppliers.

The Group's gross profit margin for chips decreased from approximately 27.5% for the year ended 31 December 2018 to approximately 25.7% for the year ended 31 December 2019 mainly due to increase in raw potato prices as unpredictable weather conditions in the United States of America and Europe negatively impacted supply of potato crops.

Overall, the Group's gross profit margin for the year ended 31 December 2019 was relatively stable compared to the year ended 31 December 2018.

OUTLOOK AND STRATEGIES

Overall performance in 2019

According to the Ministry of Trade and Industry (MTI), the Singapore economy expanded by 0.7%, slower than the 3.4% growth recorded in 2018.

Economic performance in the first quarter of 2020

MTI estimated that the Singapore economy contracted by 2.2% on a year-on-year basis in the first quarter of 2020, reversing the 1.0% growth in the preceding quarter. On a quarter-on-quarter seasonally adjusted annualised basis, the economy shrank by 10.6%, a sharp pullback from the 0.6% growth in the previous quarter.

Economic outlook for 2020

On 17 February 2020, MTI had downgraded the gross domestic product ("GDP") growth forecast of Singapore for 2020 to "-0.5 to 1.5%", with growth expected at around 0.5%, the mid-point of the forecast range due to, among others, the outbreak of the coronavirus disease ("Covid-19") that has affected PRC, Singapore and many countries around the world.

On 26 March 2020, MTI further downgraded the GDP growth forecast of Singapore for 2020 to "-4.0 to -1.0%" as the Covid-19 outbreak has escalated and led to a significant deterioration in the economic situation both externally and domestically.

As at the date of this announcement, the Group expects the macroeconomic environment to remain challenging amid the Covid-19 outbreak which has not shown signs of slowing, crash of the crude oil prices, escalating trade tensions and geopolitical risks and uncertainty over the outcome of the upcoming United States of America election, among others.

The Group continues to monitor the coronavirus outbreak very closely as its priority is always the well-being of its consumers and staff while concurrently, the Group continues to stay focused on implementing its business objectives.

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 expansion of product range and production capacity by leveraging its branding and production capability.

The Group believes that demand for snack products with less sugar, artificial sweeteners and flavourings such as savoury snacks will remain resilient even during challenging economic environment as consumers become more health conscious.

FINANCIAL REVIEW

Revenue

The Group's revenue increased by approximately S$2.5 million or 4.2% from approximately S$58.6 million for the year ended 31 December 2018 to approximately S$61.1 million for the year ended 31 December 2019 mainly due to increased orders from certain OEM customers as they introduced new products to the market.

Cost of sales

The Group's cost of sales increased by approximately S$1.3 million or 3.0% from approximately S$44.3 million for the year ended 31 December 2018 to approximately S$45.6 million for the year ended 31 December 2019 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$1.2 million or 8.1% from approximately S$14.3 million for the year ended 31 December 2018 to approximately S$15.5 million for the year ended 31 December 2019 in line with the increase in revenue. The Group's overall gross profit margin was relatively stable at approximately 24.4% to 25.3% for the two years ended 31 December 2019.

Other income

The Group's other income increased by approximately S$22,000 or approximately 14.9% from approximately S$150,000 for the year ended 31 December 2018 to approximately S$172,000 for the year ended 31 December 2019 mainly due to increase in interest income from unutilised net proceeds from the Company's share offer.

Other gains and losses

The Group reported other losses of approximately S$64,000 for the year ended 31 December 2019 compared to other gains of approximately S$139,000 for the year ended 31 December 2018 mainly due to fair value loss from the revaluation of investment property due to oversupply of similar properties within the vicinity.

Selling and distribution expenses

Selling and distribution expenses increased by approximately S$0.6 million or 22.2% from approximately S$2.6 million for the year ended 31 December 2018 to approximately S$3.2 million for the year ended 31 December 2019 mainly due to advertising and promotional activities to further promote the Group's products.

Administrative expenses

Administrative expenses increased by approximately S$2.2 million or approximately 40.6% from approximately S$5.2 million for the year ended 31 December 2018 to approximately S$7.4 million for the year ended 31 December 2019 mainly due to increase in staff cost due to increase in staff headcount and increment of salaries and allowances to staffs, and professional fees incurred by the Company in conjunction with its listing status.

Listing expenses

The Group incurred and recognised listing expenses of approximately S$785,000 for the year ended 31 December 2019 compared to approximately S$2.9 million for the year ended 31 December 2018 following its successful listing on the Stock Exchange on the Listing Date.

Finance costs

Finance costs increased by approximately S$29,000 or 18.9% from approximately S$154,000 for the year ended 31 December 2018 to approximately S$183,000 for the ended 31 December 2019 mainly due to interest on lease liabilities arising from the Group's right-of-use assets which was partially offset by decrease in interest on bank and other borrowings.

Income tax expense

Income tax expense decreased from approximately S$1.6 million for the year ended 31 December 2018 to approximately S$1.2 million for the year ended 31 December 2019 even though profit before taxation for the year ended 31 December 2019 of approximately S$4.1 million was higher than the profit before taxation for the year ended 31 December 2018 of approximately S$3.7 million. This was mainly due to lower expenses, mainly the listing expenses, not being deductible for tax purposes, following the Company's successful listing on the Stock Exchange on the Listing Date and overprovision of tax in prior year.

Assuming that the listing expenses which was not deductible for tax purpose, were excluded for the year ended 31 December 2018 and 2019, the adjusted profit before taxation of the Group for the year ended 31 December 2019 will amount to approximately S$4.9 million compared to profit before taxation of the Group for the year ended 31 December 2018 of approximately S$6.6 million. The adjusted profit before taxation of the Group was lower for the year ended 31 December 2019 compared to the previous year mainly due to the increase in administrative expenses and selling and distribution expenses as discussed above.

Profit for the year

Profit for the year increased by approximately S$0.8 million or 36.1% from approximately S$2.1 million for the year ended 31 December 2018 to approximately S$2.9 million for the year ended 31 December 2019 mainly due to lower listing expenses and income tax expense which were incurred during the year as discussed above.

Assuming that the listing expenses which was not deductible for tax purpose, were excluded for the year ended 31 December 2018 and 2019, the adjusted profit before taxation of the Group for the year ended 31 December 2019 will amount to approximately S$4.9 million compared to profit before taxation of the Group for the year ended 31 December 2018 of approximately S$6.6 million. The adjusted profit before taxation of the Group was lower for the year ended 31 December 2019 compared to the previous year mainly due to the increase in administrative expenses and selling and distribution expenses as discussed above.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group's source of funds comprises of a combination of internally generated funds, bank and other 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 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 2018 and 2019, the Group's current ratio, being current assets over current liabilities was 2.6 times and 5.1 times respectively.

As at 31 December 2019, the Group's bank borrowings amounted to approximately S$2.8 million, which was lower as compared to approximately S$5.0 million as at 31 December 2018. The Group maintained a relatively low gearing ratio, based on interest-bearing bank and other borrowings divided by net assets, at approximately 0.1 times as at 31 December 2019.

CONTINGENT LIABILITIES

As at 31 December 2018 and 31 December 2019, the Group provided performance guarantee to certain customers with balances amounted to approximately S$0.4 million and S$0.3 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 approximately S$11.8 million and S$11.9 million as at 31 December 2018 and 31 December 2019 respectively.

CAPITAL EXPENDITURES AND COMMITMENTS

During the year ended 31 December 2019, the Group had incurred capital expenditures of approximately S$3.5 million as compared to approximately S$0.9 million in the year ended 31 December 2018. 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 capital commitments of approximately S$1.6 million as at 31 December 2019.

SIGNIFICANT INVESTMENTS

The Group did not hold any significant investments as at 31 December 2018 and 31 December 2019.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

There was no material acquisitions and disposals of subsidiaries and associated companies for the year ended 31 December 2019, saved as disclosed below:

Incorporation of subsidiaries

The Company has incorporated a wholly-owned subsidiary, TS Group Investment Limited in the British Virgin Islands, which, in turn, incorporated a direct wholly-owned subsidiary, ZC China Limited（中材環保有限公司）("ZC China"), in Hong Kong. It is intended that ZC China would principally engage in the sales and distribution of nuts and chips, being the Group's core business. Apart from that, ZC China would also engage in the sales and distribution of fibre-cement polycarbonate (PC) sheets, glass-fibre reinforced concrete (GRC) boards, bricks, glass-ceramics, nanocrystal stone slab, microcrystal jade tiles and coated fibre-cement boards (the "Products").

On 3 September 2019, ZC China had entered into a sales agency agreement (the "Sales Agency Agreement") with 中材（焦作）建築科技有限公司 (transliterated as Zhongcai (Jiaozuo) Building Technology Co., Ltd.) ("Zhongcai"), pursuant to which Zhongcai authorises ZC China as its sole agent in the PRC for the sales and distribution of the Products in the PRC, for a term of three years ending on 31 August 2022.

For further details, please refer to the announcement of the Company dated 3 September 2019.

EVENTS AFTER THE REPORTING PERIOD

The Group will pay close attention to the development of the outbreak of the Covid-19 subsequent to the end of the reporting period and its related impact on the Group's businesses and financials. Based on the currently available information, the Group considers the event would not have a material impact to the Group's operations given that there is no major disruptions for inventories supplies.

However, given the unpredictability associated with the Covid-19 outbreak and any further contingency measures that may be put in place by the relevant governments and corporate entities, the actual financial impact of the Covid-19 outbreak, if any, on the Group's 2020 financial statements could be significantly different depending on how the situation evolves, the Group will closely monitor in this regard.

In Malaysia, the government on 18 March 2020 announced a 14-day restricted movement order ("MCO"), where all Malaysians are prohibited from leaving Malaysia, and all firms are to be closed except for those involved in certain essential goods and services. On 25 March 2020, it was further announced that the MCO will extended till 14 April 2020. The Group's certain manufacturing facilities in Malaysia is subjected to this MCO and production is temporarily halted in compliance with the MCO. During this time, the Group is working closely with the Malaysian authorities and our customers to get clearance for the production of our products as essential goods. The Group has limited inventory during this MCO period and if the MCO is extended for prolonged period, it will have a material effect on the Group's operations in Singapore which rely on its Malaysian manufacturing plants for production capacity. To mitigate the impact from Covid-19, the Group is focusing on tightening cost controls, improving productivity and enhancing operational efficiency. During this difficult period, the priority across the Group's operations is the health and well-being of its employees while ensuring the long-term sustainability of its operations.

The financial statements of the Group for the financial year ended 31 December 2019 have not been adjusted for the financial effect as a result of the Covid-19 outbreak.

USE OF PROCEEDS

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"). The following sets forth a summary of the allocation of the Net IPO Proceeds and its utilisation as at 31 December 2019:

Use of proceeds	Approximate amount of net proceeds *(HK$'million)*	Approximate percentage of net proceeds *(%)*	Approximate actual amount utilised as at 31 December 2019 *(HK$'million)*	Unused amount of net proceeds as at 31 December 2019 *(HK$'million)*
Expansion of existing nuts and potato chips products	26.7	39.9	–	26.7
Production and launch of tortilla chips	16.3	24.4	–	16.3
Expansion of workforce	17.6	26.4	–	17.6
Working capital	6.2	9.3	3.3	2.9
Total	66.8	100.0	3.3	63.5

As at the date of this announcement, the unutilised Net IPO Proceeds were deposited with licensed banks in Singapore and Hong Kong.

The Directors do not anticipate any change to the planned use of the proceeds as described under the section headed "Future Plans and Use of Proceeds" in the Prospectus.

As at the date of this announcement, the Group has yet to utilise the net proceeds earmarked for the expansion of existing and launch of new products and expansion of workforce after taking into consideration the uncertain economic outlook faced during the year ended 31 December 2019, namely, the United States of America-People's Republic of China trade tensions and Brexit. The Group expects the macroeconomic environment in the year ending 31 December 2020 to remain challenging amid, among others, the Covid-19 outbreak which has not shown signs of slowing. Although the Group's business objectives have not changed and the Group has sufficient liquidity and financial resources, the Group wishes to be prudent in its expenditure during uncertain economic environment.

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.

DIVIDEND

After due consideration of the uncertain macroeconomic outlook ahead as set out in the section headed "Outlook and Strategies" of this announcement, the Board has resolved not to recommend any final dividend for the year ended 31 December 2019 even though the Group was profitable. Nonetheless, the Group's dividend policy has not changed and the Board will continue to assess whether to recommend dividend in the next financial period.

ANNUAL GENERAL MEETING

The annual general meeting of the Company (the "AGM") will be held at 10:00 a.m. on 1 June 2020 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 27 May 2020 to 1 June 2020, 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 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on 26 May 2020.

EMPLOYEES AND REMUNERATION POLICIES

The Group had 218 employees and 256 employees as at 31 December 2018 and 31 December 2019 respectively. The Group incurred staff costs of approximately S$7.3 million and S$9.5 million for the year ended 31 December 2018 and 2019 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 31 December 2019, there was no outstanding share option granted under the Share Option Scheme.

PURCHASE, SALE OR REDEMPTION OF SHARES

During the year ended 31 December 2019, 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 for the year ended 31 December 2019.

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 year ended 31 December 2019.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND THE ASSOCIATED CORPORATIONS

As at 31 December 2019, the interests or short positions of the Directors of the Company in the shares, underlying shares and debentures of the Company or any of the associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")), which were required: (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code contained in Appendix 10 to the Listing Rules, were as follows:

Long position in the shares of SWL Limited, an associated corporation of the Company

Name of Directors	Capacity/nature of interest	Number of shares held	Percentage of shareholding
Ms. Lim Seow Yen	Beneficial owner	490	24.5%
Mr. Lim Fung Yee	Beneficial owner	490	24.5%
Mr. Lim Fung Chor	Beneficial owner	490	24.5%

Note: SWL Limited held in aggregate 750,000,000 shares, representing 75% of the issued share capital of the Company. The issued share capital of SWL Limited is legally and beneficially owned as to 24.5% by Mdm. Han Yew Lang, 24.5% by Ms. Lim Seow Yen, 24.5% by Mr. Lim Fung Yee, 24.5% by Mr. Lim Fung Chor, 1.0% by Mr. Loo Soon Hock James and 1.0% by Ms. Ong Liow Wah.

Save as disclosed above, as at 31 December 2019, none of the Directors of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company (within the meaning of Part XV of the SFO), which were required: (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have under such provisions of the SFO), (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein, or (c) pursuant to the Model Code to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 December 2019, so far as is known to the Directors, the following persons (other than a Director of the Company) and entities had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO, or as recorded in the register required to be kept by the Company under section 336 of the SFO:

Name of shareholder	Capacity/nature of interest	Number of shares held	Percentage of shareholding
SWL Limited	Beneficial owner	750,000,000	75%

Note: The issued share capital of SWL Limited is legally and beneficially owned as to 24.5% by Mdm. Han Yew Lang, 24.5% by Ms. Lim Seow Yen, 24.5% by Mr. Lim Fung Yee, 24.5% by Mr. Lim Fung Chor, 1.0% by Mr. Loo Soon Hock James and 1.0% by Ms. Ong Liow Wah.

Save as disclosed above, as at 31 December 2019, so far as the Directors are aware, no other persons (other than a Director of the Company) or entities had any interests or short positions in the shares or underlying shares of the Company, which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO, or as recorded in the register required to be kept by the Company under section 336 of the SFO.

INTEREST OF DIRECTORS IN A COMPETING BUSINESS

During the year ended 31 December 2019, none of the Directors or their respective close associates had interests in businesses which compete or are likely to compete, either directly or indirectly, with the business of the Group pursuant to the Listing Rules.

NON-COMPETITION UNDERTAKING

SWL Limited, Mdm. Han Yew Lang, Ms. Lim Seow Yen, Mr. Lim Fung Yee, Mr. Lim Fung Chor, Mr. Loo Soon Hock James and Ms. Ong Liow Wah (collectively, the "Controlling Shareholders") entered into a deed of non-competition dated 20 December 2018 in favour of the Company and the subsidiaries (the "Deed of Non-competition") regarding certain non-competition undertakings. Details of the Deed of Non-competition were disclosed in the section headed "Relationship with our Controlling Shareholders" in the Prospectus.

The Controlling Shareholders have confirmed compliance with and the enforcement of the terms of the Deed of Non-competition during the year ended 31 December 2019.

APPOINTMENT OF DIRECTOR

The change of Director subsequent to the six months ended 30 June 2019 is set out below:

Mr. Zhang Junli ("Mr. Zhang") has been appointed as an executive Director with effect from 27 September 2019.

For biographical details of Mr. Zhang, please refer to the announcement of the Company dated 27 September 2019.

CHANGE OF ADDRESS OF HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

With effect from 11 July 2019, the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited had changed its address to Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong.

All telephone and facsimile numbers of the branch share registrar remained unchanged.

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 2019. 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 2019 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, 30 March 2020

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