



# Hanwell Holdings Limited

Company registration No: 197400888M

## **Condensed interim financial statements For the six months ended 30 June 2021**

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## A. Condensed interim consolidated statement of profit or loss and other comprehensive income

	Note	THE GROUP		Change %
		6 months ended 30 Jun 2021 S\$'000	6 months ended 30 Jun 2020 S\$'000	
Revenue	4	257,844	215,827	19.5%
Cost of sales		(200,351)	(165,245)	21.2%
<b>Gross profit</b>		<b>57,493</b>	<b>50,582</b>	13.7%
Other income		1,287	3,773	-65.9%
Other expense		(499)	(206)	142.2%
Distribution expenses		(22,861)	(20,665)	10.6%
Administrative expenses		(16,947)	(15,647)	8.3%
Impairment losses of trade and other receivables (net)		(405)	(495)	-18.2%
Net finance income/(expense)		66	(368)	n.m.
<b>Profit before taxation</b>	6	<b>18,134</b>	<b>16,974</b>	6.8%
Tax expense	7	(4,218)	(3,485)	21.0%
<b>Profit for the financial period, net of tax</b>		<b>13,916</b>	<b>13,489</b>	3.2%
<b>Other comprehensive income</b>				
<u>Items that may be reclassified to profit or loss</u> <u>in subsequent periods (net of tax)</u>				
Currency translation differences on consolidation of foreign entities (net)		3,316	2,127	55.9%
Effective portion of changes in fair value of cash flow hedges		2	-	n.m.
<u>Items that will not be reclassified to profit or loss</u> <u>in subsequent periods (net of tax)</u>				
Net change in fair value of FVOCI financial assets		12	(11)	-209.1%
<b>Total other comprehensive income/(loss) for the period</b>		<b>3,330</b>	<b>2,116</b>	57.4%
<b>Total comprehensive income/(loss) for the period</b>		<b>17,246</b>	<b>15,605</b>	10.5%
<b>Profit/(Loss) attributable to:</b>				
- Owners of the Company		8,929	9,919	-10.0%
- Non-controlling interests		4,987	3,570	39.7%
		13,916	13,489	
<b>Total comprehensive income/(loss) attributable to:</b>				
- Owners of the Company		10,850	11,135	-2.6%
- Non-controlling interests		6,396	4,470	43.1%
		17,246	15,605	
<b>Earnings per share for profit for the period</b> <b>attributable to the owners of the Company during</b> <b>the year:</b>				
Basic (SGD in cent)		1.61	1.79	

n.m. - not meaningful

## B. Condensed interim statements of financial position

	Note	The Group		The Company	
		30 Jun 2021 \$'000	31 Dec 2020 \$'000	30 Jun 2021 \$'000	31 Dec 2020 \$'000
<b>ASSETS</b>					
<b>Current assets</b>					
Other financial assets	10	1,439	1,055	1,439	1,055
Current tax asset		294	197	-	-
Inventories		60,088	52,697	-	-
Asset held for sales		10,374	-	-	-
Trade and other receivables		140,927	132,587	30,534	35,088
Cash and cash equivalents		170,654	163,987	83,780	79,075
<b>Total current assets</b>		<b>383,776</b>	<b>350,523</b>	<b>115,753</b>	<b>115,218</b>
<b>Non-current assets</b>					
Property, plant and equipment	11	157,166	162,230	48,088	49,846
Intangible assets		1,134	1,106	-	-
Investment properties	12	687	11,525	-	-
Subsidiaries		-	-	40,001	40,001
Associates		-	-	-	-
Other financial assets	10	72	60	72	60
Deferred tax assets		3,426	3,339	-	-
Trade and other receivables		110	145	-	-
<b>Total non-current assets</b>		<b>162,595</b>	<b>178,405</b>	<b>88,161</b>	<b>89,907</b>
<b>Total assets</b>		<b>546,371</b>	<b>528,928</b>	<b>203,914</b>	<b>205,125</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Borrowings	13	64,408	51,838	-	-
Lease liabilities		2,640	2,688	317	328
Trade and other payables		67,907	73,243	12,797	12,756
Deferred income		529	505	103	56
Current tax payable		3,072	2,110	-	-
<b>Total current liabilities</b>		<b>138,556</b>	<b>130,384</b>	<b>13,217</b>	<b>13,140</b>
<b>Non-current liabilities</b>					
Borrowings	13	7,381	10,244	-	-
Lease liabilities		15,889	17,045	13,582	13,623
Deferred income		2,382	2,530	290	318
Deferred tax liabilities		4,733	4,641	-	-
<b>Total non-current liabilities</b>		<b>30,385</b>	<b>34,460</b>	<b>13,872</b>	<b>13,941</b>
<b>Total liabilities</b>		<b>168,941</b>	<b>164,844</b>	<b>27,089</b>	<b>27,081</b>
<b>NET ASSETS</b>		<b>377,430</b>	<b>364,084</b>	<b>176,825</b>	<b>178,044</b>
<b>EQUITY</b>					
<b>Equity attributable to equity holders of the Company</b>					
Share capital	14	180,100	180,100	180,100	180,100
Retained profits		104,828	98,666	(3,326)	(2,095)
Other reserves		12,938	11,017	51	39
		297,866	289,783	176,825	178,044
Non-controlling interests		79,564	74,301	-	-
<b>Total equity</b>		<b>377,430</b>	<b>364,084</b>	<b>176,825</b>	<b>178,044</b>

### C. Condensed interim statements of changes in equity

The Group	Note	Issued Capital \$'000	Treasury Shares \$'000	Share Capital \$'000	Other Reserves \$'000	Fair Value Reserve \$'000	Hedging Reserve \$'000	Foreign exchanges translation reserve \$'000	Retained Earnings \$'000	Total \$'000	Non-Controlling Interests \$'000	Total Equity \$'000
<b>2021</b>												
<b>Balance at 1 January 2021</b>		184,327	(4,227)	180,100	12,534	39	(1)	(1,555)	98,666	289,783	74,302	364,085
<b>Total comprehensive income for the period</b>												
Profit for the period		-	-	-	-	-	-	-	8,929	8,929	4,987	13,916
<b>Other comprehensive income</b>												
Foreign currency translation differences of foreign operations		-	-	-	-	-	-	1,907	-	1,907	1,409	3,316
Net change in fair value - equity investments at FVOCI		-	-	-	-	12	-	-	-	12	-	12
Effective portion of changes in fair value of cash flow hedges		-	-	-	-	-	2	-	-	2	-	2
<b>Total other comprehensive income</b>		-	-	-	-	12	2	1,907	-	1,921	1,409	3,330
<b>Total comprehensive income for the period</b>		-	-	-	-	12	2	1,907	8,929	10,850	6,396	17,246
<b>Transactions with owners, recognised directly in equity</b>												
Dividend paid	8	-	-	-	-	-	-	-	(2,767)	(2,767)	(1,134)	(3,901)
<b>Balance at 30 June 2021</b>		184,327	(4,227)	180,100	12,534	51	1	352	104,828	297,866	79,564	377,430
<b>2020</b>												
<b>Balance at 1 January 2020</b>		184,327	(4,227)	180,100	11,864	44	-	(5,506)	78,477	264,979	62,903	327,882
<b>Total comprehensive income for the period</b>												
Profit for the period		-	-	-	-	-	-	-	9,919	9,919	3,570	13,489
<b>Other comprehensive income</b>												
Foreign currency translation differences of foreign operations		-	-	-	-	-	-	1,227	-	1,227	900	2,127
Net change in fair value - equity investments at FVOCI		-	-	-	-	(11)	-	-	-	(11)	-	(11)
<b>Total other comprehensive income</b>		-	-	-	-	(11)	-	1,227	-	1,216	900	2,116
<b>Total comprehensive income for the period</b>		-	-	-	-	(11)	-	1,227	9,919	11,135	4,470	15,605
<b>Balance at 30 June 2020</b>		184,327	(4,227)	180,100	11,864	33	-	(4,279)	88,396	276,114	67,373	343,487

### C. Condensed interim statements of changes in equity

The Company	Note	Issued Capital \$'000	Treasury Shares \$'000	Share Capital \$'000	Other Reserves \$'000	Fair Value Reserve \$'000	Retained Earnings \$'000	Total Equity \$'000
<b>2021</b>								
<b>Balance at 1 January 2021</b>		<b>184,327</b>	<b>(4,227)</b>	<b>180,100</b>	<b>-</b>	<b>39</b>	<b>(2,095)</b>	<b>178,044</b>
<b>Total comprehensive income for the period</b>								
Profit for the period		-	-	-	-	-	1,536	1,536
<b>Other comprehensive income</b>								
Net change in fair value - equity investments at FVOCI		-	-	-	-	12	-	12
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12</b>	<b>1,536</b>	<b>1,548</b>
<b>Transactions with owners, recognised directly in equity</b>								
Dividend paid	8	-	-	-	-	-	(2,767)	(2,767)
<b>Balance at 30 June 2021</b>		<b>184,327</b>	<b>(4,227)</b>	<b>180,100</b>	<b>-</b>	<b>51</b>	<b>(3,326)</b>	<b>176,825</b>
<b>2020</b>								
<b>Balance at 1 January 2020</b>		<b>184,327</b>	<b>(4,227)</b>	<b>180,100</b>	<b>0</b>	<b>44</b>	<b>(4,692)</b>	<b>175,452</b>
<b>Total comprehensive income for the period</b>								
Profit for the period		-	-	-	-	-	(297)	(297)
<b>Other comprehensive income</b>								
Net change in fair value - equity investments at FVOCI		-	-	-	-	(12)	-	(12)
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(12)</b>	<b>(297)</b>	<b>(309)</b>
<b>Balance at 30 June 2020</b>		<b>184,327</b>	<b>(4,227)</b>	<b>180,100</b>	<b>0</b>	<b>32</b>	<b>(4,989)</b>	<b>175,143</b>

## D. Condensed interim consolidated statement of cash flows

	Note	The Group	
		6 months ended	6 months ended
		30 Jun 2021	30 Jun 2020
		\$'000	\$'000
<b>Cash flows from operating activities</b>			
Profit before tax		18,134	16,974
Adjustments for:			
Dividend income		(1)	(2)
Interest income		(649)	(1,105)
Amortisation of deferred income		(610)	(1,332)
Amortisation of intangible assets		-	2
Depreciation of investment properties		25	26
Depreciation of property, plant and equipment		7,923	7,711
Loss on disposal of property plant and equipment	6	46	200
Finance expense	6	968	1,112
Net (increase)/decrease in fair value of financial assets designated at fair value through profit or loss		(384)	363
Allowance and write off of inventories/(reversal of allowance)	6	103	(6)
Property, plant and equipment written off	6	4	4
Unrealised exchange gain		(135)	(190)
		<b>25,424</b>	<b>23,757</b>
- Increase in Inventories		(6,892)	(2,300)
- (Increase)/decrease in trade and other receivables		(5,649)	7,998
- Decrease in trade and other payables		(4,500)	(7,849)
<b>Cash generated from operations</b>		<b>8,383</b>	<b>21,606</b>
Net taxation paid		(3,353)	(2,308)
<b>Net cash from operating activities</b>		<b>5,030</b>	<b>19,298</b>
<b>Cash flows from investing activities</b>			
Interest income received		309	854
Proceeds from disposal of property, plant and equipment		1,197	107
Purchase of property, plant and equipment		(2,662)	(5,157)
<b>Net cash used in investing activities</b>		<b>(1,156)</b>	<b>(4,196)</b>
<b>Cash flows from financing activities</b>			
Increase in pledged deposits		(3,725)	(586)
Interest paid		(1,034)	(1,106)
Payment of lease liabilities		(1,332)	(1,298)
Payment of dividends	8	(3,901)	-
Proceeds from borrowings		61,880	51,684
Repayment of borrowings		(53,822)	(47,939)
<b>Net cash used in financing activities</b>		<b>(1,934)</b>	<b>755</b>
<b>Net increase in cash and cash equivalents</b>		<b>1,940</b>	<b>15,857</b>
Cash and cash equivalents at beginning of the period		152,321	121,990
Effect of exchange rate fluctuations on cash held		872	569
<b>Cash and cash equivalents at end of the period</b>		<b>155,133</b>	<b>138,416</b>
Comprising:			
Cash at bank and in hand		88,166	74,170
Fixed deposits with banks		82,488	74,243
		170,654	148,413
Cash and cash equivalents classified as asset held for sales		203	-
Deposits pledged		(15,724)	(9,997)
		155,133	138,416

## **E. Notes to the condensed interim consolidated financial statements**

### **1. Corporate information**

Hanwell Holdings Limited is incorporated and domiciled in Singapore and whose shares are publicly traded on the Mainboard of the Singapore Exchange. These condensed interim consolidated financial statements as at and for the six months ended 30 June 2021 comprise the Company and its subsidiaries (collectively, the Group). The primary activities of the Company are supply of provisions and household consumer products. The company also provided management services to its subsidiaries.

The principal activities of the Group are:

- (a) supply of provisions and household consumer products
- (b) manufacture and trading of food products
- (c) manufacture and sales of corrugated cartons and other packaging products

### **2. Basis of Preparation**

The condensed interim financial statements for the six months ended 30 June 2021 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2020.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore dollar which is the Company's functional currency.



## **E. Notes to the condensed interim consolidated financial statements**

### **2.1. New and amended standards adopted by the Group**

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

### **2.2. Use of judgements and estimates**

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2020.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There is no information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements.

Management is of the opinion that there is no instance of application of judgment which is expected to have a significant impact on the amounts recognised in the Group's condensed interim financial statements for half year period ended 30 June 2021 except for the following.

- Note 12 – determination of fair value of investment property using significant unobservable inputs

### **3. Seasonal operations**

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

## E. Notes to the condensed interim consolidated financial statements

### 4. Segment and revenue information

The Group is organised into the following main business segments:

- Segment 1: Consumer Essentials Consumer Business;
- Segment 2: Strategic Investments Packaging; and
- Segment 3: Others

These operating segments are reported in a manner consistent with internal reporting provided to the Chief Executive Officer who are responsible for allocating resources and assessing performance of the operating segments.

#### 4.1. Reportable segments

	<b>Segment 1</b>	<b>Segment 2</b>	<b>Segment 3</b>	<b>Consolidated</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>1 January 2021 to 30 June 2021</b>				
Total segment revenue	81,723	176,018	132	257,873
Inter-segment revenue	-	(29)	-	(29)
Revenue from external parties	81,723	175,989	132	257,844
Total other income	537	742	8	1,287
Total revenue and other income	82,260	176,731	140	259,131
Depreciation	(2,249)	(5,674)	(25)	(7,948)
Dividend income	1	-	-	1
Interest income	80	239	330	649
Finance expense	(324)	(645)	-	(968)
Net increase in fair value of financial assets designated at fair value through profit or loss	384	-	-	384
Net Finance income/(expense)	141	(405)	330	66
Segment profit	4,391	15,190	(795)	18,786
Unallocated expenses				(652)
Profit before taxation				18,134
Taxation				(4,218)
Earnings for the interim period				13,916

## E. Notes to the condensed interim consolidated financial statements

### 4.1. Reportable segments (cont'd)

	<u>Segment 1</u>	<u>Segment 2</u>	<u>Segment 3</u>	<u>Consolidated</u>
	\$'000	\$'000	\$'000	\$'000
<b>1 January 2021 to 30 June 2021</b>				
Segment assets	215,782	315,885	11,278	542,945
Deferred income tax assets	-	3,426	-	3,426
Total assets per statement of financial position				<u>546,371</u>
Expenditures for segment non- current assets				
- Additions to PPE	440	1,961	-	2,401
	<u>440</u>	<u>1,961</u>	<u>-</u>	<u>2,401</u>
Segment liabilities	31,378	129,437	321	161,136
Current income tax liabilities				3,072
Deferred income tax liabilities				<u>4,733</u>
Total liabilities per statement of financial position				<u>168,941</u>

## E. Notes to the condensed interim consolidated financial statements

### 4.1. Reportable segments (cont'd)

	Segment 1	Segment 2	Segment 3	Consolidated
	\$'000	\$'000	\$'000	\$'000
<b>1 January 2020 to 30 June 2020</b>				
Total segment revenue	86,584	129,074	202	215,860
Inter-segment revenue	-	(33)	-	(33)
Revenue from external parties	86,584	129,041	202	215,827
Total other income	1,573	1,780	420	3,773
Total revenue and other income	88,157	130,821	622	219,600
Depreciation	(2,200)	(5,512)	(26)	(7,737)
Dividend income	2	-	-	2
Interest income	428	328	349	1,105
Finance expense	(284)	(828)	-	(1,112)
Net decrease in fair value of financial assets designated at fair value through profit or loss	(363)	-	-	(363)
Net Finance income/(expense)	(217)	(501)	349	(368)
Segment profit	6,499	10,534	418	17,451
Unallocated expenses				(477)
Profit before taxation				16,974
Taxation				(3,485)
Earnings for the interim period				13,489

## E. Notes to the condensed interim consolidated financial statements

### 4.1. Reportable segments (cont'd)

	Segment 1	Segment 2	Segment 3	Consolidated
	\$'000	\$'000	\$'000	\$'000
<b>1 January 2020 to 30 June 2020</b>				
Segment assets	211,037	274,219	12,528	497,784
Deferred income tax assets	-	3,936	-	3,936
Total assets per statement of financial position				<u>501,720</u>
Expenditures for segment non- current assets - Additions to PPE	1,226	2,518	-	3,743
	<u>1,226</u>	<u>2,518</u>	<u>-</u>	<u>3,743</u>
Segment liabilities	33,047	118,362	418	151,827
Current income tax liabilities				1,595
Deferred income tax liabilities				<u>4,811</u>
Total liabilities per statement of financial position				<u>158,233</u>

## E. Notes to the condensed interim consolidated financial statements

### 4.2. Disaggregation of Revenue

	The Group			
	6 months ended 30 June 2021			
	Segment 1	Segment 2	Segment 3	Total
	\$'000	\$'000	\$'000	\$'000
Types of good or service:				
Sales of goods	81,723	175,989	-	257,712
Rental income	-	-	132	132
Total revenue	81,723	175,989	132	257,844

Timing of revenue recognition:				
At a point in time	81,723	175,989	-	257,712
Over time	-	-	132	132
Total revenue	81,723	175,989	132	257,844

Geographical information:				
Singapore	50,692	25,372	-	76,064
Malaysia	31,030	-	-	31,030
China	-	150,617	-	150,617
Japan	-	-	132	132
Total revenue	81,723	175,989	132	257,844

	The Group			
	6 months ended 30 June 2020			
	Segment 1	Segment 2	Segment 3	Total
	\$'000	\$'000	\$'000	\$'000
Types of good or service:				
Sales of goods	86,584	129,041	-	215,626
Rental income	-	-	202	202
Total revenue	86,584	129,041	202	215,827

Timing of revenue recognition:				
At a point in time	86,584	129,041	-	215,626
Over time	-	-	202	202
Total revenue	86,584	129,041	202	215,827

Geographical information:				
Singapore	56,158	23,011	-	79,169
Malaysia	30,426	-	-	30,426
China	-	106,030	-	106,030
Japan	-	-	202	202
Total revenue	86,584	129,041	202	215,827

## E. Notes to the condensed interim consolidated financial statements

### 5. Financial assets and financial liabilities

Note	The Group		The Company	
	30 Jun 2021 \$'000	31 Dec 2020 \$'000	30 Jun 2021 \$'000	31 Dec 2020 \$'000
<b>Financial Assets</b>				
Financial assets at fair value through other comprehensive income (FVOCI)	10	72	60	72
Financial assets at fair value through other Profit & Loss (FVTPL)		1,439	1,055	1,439
Cash and bank balances and trade and other receivables (Amortised cost)*		304,880	292,204	114,240
		<u>306,391</u>	<u>293,319</u>	<u>115,751</u>
<b>Financial Liabilities</b>				
Trade and other payables and borrowings (Amortised cost)^		129,263	121,013	12,066
* excludes, prepayment, advance to suppliers and GST/VAT receivables				
^ excludes financial derivative liability, accrued staff remuneration, GST/VAT payables				

### 6. Profit before taxation

#### 6.1. Significant items

	The Group	
	6 months ended 30 June 2021 \$'000	6 months ended 30 June 2020 \$'000
<b>Income</b>		
Dividend income	(1)	(2)
Interest income	(649)	(1,105)
<b>Expenses</b>		
Amortisation of deferred income	(610)	(1,332)
Interest on borrowings	968	1,112
Depreciation of property, plant and equipment and investment property	7,948	7,737
Inventories written down	58	52
Allowance/(reversal of allowance) for impairment loss for inventories	45	(58)
Loss on disposal and write off of property, plant and equipment	50	204
Net (increase)/decrease in fair value of financial assets designated at fair value through profit or loss	(384)	363
Impairment loss on property, plant and equipment	-	-
Foreign exchange loss/(gain), net	395	(639)

#### 6.2. Related party transactions

There are no material related party transactions apart from those disclosed elsewhere in the financial statements

## E. Notes to the condensed interim consolidated financial statements

### 7. Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	6 months ended 30 June 2021	6 months ended 30 June 2020
	\$'000	\$'000
Current income tax expense	4,168	3,048
Under provision of tax in respect of prior years	27	6
Deferred income tax expense relating to origination and reversal of temporary differences	236	123
(Over)/under provision of deferred tax in respect of prior years	(212)	308
	4,218	3,485

### 8. Dividends

	The Group	
	6 months ended 30 June 2021	6 months ended 30 June 2020
	\$'000	\$'000
<b>Paid by the Company to owners of the Company</b>		
Ordinary dividends paid:		
Final tax exempt dividend paid of 0.50 cents per share (2020: Final tax exempt dividend of 0 cents per share)	2,767	-
<b>Paid by subsidiaries to non- controlling interest</b>		
Special exempt (one-tier) dividend at 1.00 cents (2020: 0 cents) per ordinary share in respect of the previous financial year	567	-
Final exempt (one-tier) dividend at 1.00 cents (2020: 0 cents) per ordinary share in respect of the previous financial year	567	-

### 9. Net Asset Value

	Group		Company	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
	cents	cents	cents	cents
Net asset value per ordinary share	53.82	52.36	31.95	32.17

### 10. Financial assets

Financial assets at fair value through other comprehensive income comprise the following:

	The Group	
	30 June 2021	31 December 2020
	\$'000	\$'000
Singapore listed equity securities	72	60

Financial assets at fair value through profit and loss comprise the following:

	The Group	
	30 June 2021	31 December 2020
	\$'000	\$'000
Hong Kong listed equity securities	1,439	1,055



## E. Notes to the condensed interim consolidated financial statements

### 10. Financial assets (cont'd)

#### 10.1. Fair value measurement

The Group classifies financial assets measured at fair value using a fair value hierarchy which reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- a) Quoted prices (unadjusted) in active markets for identical assets or liabilities **(Level 1)**;
- b) Inputs other than quoted prices included within Level 1 which are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) **(Level 2)**; and
- c) Inputs for the assets or liability which are not based on observable market data (unobservable inputs) **(Level 3)**

The following table presented the assets measured at fair value:

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>(\$'000)</b>	<b>(\$'000)</b>	<b>(\$'000)</b>	<b>(\$'000)</b>
<b>Group - 30 June 2021</b>				
<b>Financial assets</b>				
FVOCI investments				
(Quoted investments)	72	-	-	72
FVTPL investments				
(Quoted investments)	1,439	-	-	1,439
<b>Group - 31 December 2020</b>				
<b>Financial assets</b>				
FVOCI investments				
(Quoted investments)	60	-	-	60
FVTPL investments				
(Quoted investments)	1,055	-	-	1,055

### 11. Property, plant and equipment

During the six months ended 30 June 2021, the Group acquired assets amounting to \$2,401,066 (30 June 2020: \$3,743,495) and disposed of assets amounting to \$1,245,016 (30 June 2020: \$307,857)

## E. Notes to the condensed interim consolidated financial statements

### 12. Investment properties

The Group's investment properties consist of a number of resort apartments in Malaysia. The 5-storey building with an underground basement and a plot of land in Japan has been reclassified to asset held for sales.

	The Group	
	2021	2020
	\$'000	\$'000
<i>Cost</i>		
Beginning of financial year	11,896	11,490
Reclassified to asset held for sales	(10,527)	-
Addition	-	16
Currency translation differences	(404)	390
End of interim period	966	11,896
Accumulated depreciation and impairment losses		
Beginning of financial year	372	318
Depreciation charge for the interim period	25	52
Currency translation differences	(7)	2
Reclassified to asset held for sales	(111)	-
End of interim period	278	372
Net book value		
As at 30 June/ 31 December	687	11,525
At valuation:		
Freehold properties	900	12,594

#### 12.1. Valuation

The Group engages external, independent and qualified valuers to determine the fair value of the Group's properties at the end of every half-year based on the property's highest and best use.

The fair value of the Group's investment properties is determined based on significant unobservable inputs and is categorised under Level 3 of the fair value measurement hierarchy. Level 3 fair value has been derived using Comparison Method of Valuation, where the unobservable input is price per square foot. A significant increase in price per square foot would result in a significantly higher fair value measurement.

## E. Notes to the condensed interim consolidated financial statements

### 13. Borrowings

	The Group and the Company	
	30 June 2021	31 December 2020
	\$'000	\$'000
<u>Amount repayable within one year or no demand</u>		
Secured	55,128	44,181
Unsecured	9,280	7,657
<u>Amount repayable after one year</u>		
Secured	7,381	10,244
Unsecured	-	-

Bank loans and bill payables of S\$62.51 million, secured on leasehold land, certain leasehold buildings and certain plant and machinery held by the Packaging Business with net book value of approximately S\$42.35 million (31/12/2020: S\$44.42 million) and cash and bank balances of S\$15.72 million (31/12/2020: S\$11.67 million).

### 14. Share capital

	The Group and the Company			
	30 June 2021		31 December 2020	
	Number of shares	Amount	Number of shares	Amount
	\$'000	\$'000	\$'000	\$'000
Beginning of interim period	553,416	180,100	553,416	180,100
Issue of ordinary shares by virtue of exercise of share options	-	-	-	-
End of interim period	553,416	180,100	553,416	180,100

Since the end of 31 December 2020, there has been no change in the Company's share capital arising from rights issue, bonus issue, subdivision, consolidation, shares buy-back, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose.

There were also no outstanding convertibles for which shares may be issued. Neither was there any treasury shares being transferred, transacted, cancelled or held by the Company during or as at the end of the current financial period and as at the end of the corresponding period of the immediately preceding financial year.

The company held 17,581,000 treasury shares as at 30 June 2021.

There were no sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

The Company's subsidiaries do not hold any shares in the Company as at 30 June 2021 and 31 December 2020.

There were no sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

### 15. Subsequent events

The sale of Nagomi Co., Ltd ("Nagomi") was completed on 14 July 2021. As at 30 June 2021, the Group classified the assets held by Nagomi including the two investment properties as assets held for sale

## **Other Information Required by Listing Rule Appendix 7.2**

## OTHER INFORMATION

### 1. Review

The condensed consolidated statement of financial position of Hanwell Holdings Limited and its subsidiaries as at 30 June 2021 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

### 2. Review of performance of the Group

#### Condensed interim consolidated statement of profit or loss and other comprehensive income

The Group recorded revenue of S\$257.84 million in the half year of 2021 (1H 2021). This was S\$42.02 million (19.47%) higher than the revenue of S\$215.83 million accounted in the half year of 2020 (1H 2020). The increase was mainly attributed to higher revenue from the Packaging Business (Tat Seng Group) as a result of increase in sales volume for both Singapore and China region. Additionally, increase in selling price for Singapore operation also contributed to the higher revenue achieved. This is partially offset by lower revenue from Singapore Consumer Business, which has experienced higher demand for essential products last year due to Circuit Breaker implemented in Singapore.

Gross profit for 1H 2021 was S\$57.49 million, which is higher than 1H 2020 by S\$6.91 million. The gross profit margins for 1H 2021 has decreased by 1.14% from 23.44% to 22.30%. The higher gross profit is attributed to higher revenue achieved by Packaging Business, while partially offset by higher cost of sales due to increase in raw material price.

Other income of S\$1.29 million in 1H 2021 was lower than S\$3.77 million in 1H 2020. This is mainly due to exchange loss arising from Japanese Yen in 1H 2021 instead of exchange gain in 1H 2020. Additionally, one-off grant from the government is lower in 1H 2021 as compared to 1H 2020.

Distribution expenses increased by S\$2.20 million (10.63%) in 1H 2021 as compared to 1H 2020. The increase is mainly due to higher revenue achieved by the Group in 1H2021 as compared to 1H2020. It is also partially attributable to higher transportation costs incurred by the Packaging Business due to increased sales to customers with longer delivery distance. The increase is partially offset by lower distribution expense for Singapore Consumer Business, which incurred a lower advertising and delivery expense.

Administrative expenses increased by S\$1.30 million (8.31%) in 1H 2021 mainly due to higher provision of staff bonus as a result of higher profit before tax and partly due to higher maintenance cost of factory building for the Packaging Business in 1H 2021 as compared to 1H 2020.

Impairment on trade and other receivables decreased by S\$0.09 million (18.18%) at S\$0.41 million in 1H 2021 as compared to S\$0.50 million in 1H 2020.

Other operating expenses increased by S\$0.29 million in 1H 2021 as compared to 1H 2020. This is mainly due to a exchange loss in 1H 2021 as compared to exchange gain in 1H 2020. This is partially offset by lower loss on disposal of property, plant and equipment in 1H 2021 as compared to 1H 2020.

The results from operating activities were S\$18.07 million in 1H 2021 as compared to S\$17.34 million in 1H 2020, an increase of S\$0.73 million (4.19%).

1H 2021 reported a net finance income of S\$0.07 mil as compared to a net finance cost of S\$0.37 mil in 1H 2020. This is mainly due to increase in fair value of financial assets designated at fair value through profit or loss in 1H 2021 as compared to 1H 2020.

The Group achieved a higher profit before tax of S\$18.13 million in 1H 2021 as compared to S\$16.97 million in 1H 2020. Excluding foreign exchange loss of S\$0.40 million in 1H 2021 and foreign exchange gain of S\$0.64 million in 1H 2020, the profit before tax would be S\$18.53 million in 1H 2021 and S\$16.33 million in 1H 2020.

The Group's net profit after tax for 1H 2021 was S\$13.92 million as compared to S\$13.49 million reported for 1H 2020. The net profit attributable to shareholders was S\$8.93 million for 1H 2021 as compared to S\$9.92 million reported for 1H 2020.

## OTHER INFORMATION

### 2. Review of performance of the Group

#### Condensed interim statements of financial position

Property, plant and equipment decreased by S\$ 5.06 million for the group in 2021 mainly due to depreciation and disposal of fixed asset during the year, which is partially offset by addition of plant and machinery, furniture & fittings, vehicle and installation in progress during the year.

Other financial assets increased by S\$ 0.39 million for both the Group and the Company mainly due to increase in fair value of the financial assets designated at fair value through profit or loss.

At the Group level, inventories increased by S\$ 7.39 million, mainly due to stocking up of more inventories by the Packaging Business in anticipation of increase in raw material costs and to prevent the impact of supply chain disruption that may occur due to resurgence of COVID-19 pandemic worldwide. Additionally, it was partly attributable from the increase in material price. This is partially offset by lower stock holdings for Consumer Business as a result of lower demand as compared to December 2020 which usually has a higher stock holdings in preparation of festive period.

Trade and other receivables increased by S\$ 8.05 million, mainly from the Packaging Business due to strengthening of Renminbi ("RMB") against Singapore Dollars ("SGD") and increase in term bills receivables (with 6 months' maturity date) received from customers. This is in line with the higher revenue achieved by the Packaging Business.

Asset held for sales arise from reclassification of investment property and net assets of a wholly owned subsidiary, Nagomi Co., Ltd, where a sales and purchase agreement has been entered into before 30 June 2021.

Total loans and borrowings increased by S\$9.71 million due to increase in bill payables and term loan for the Packaging Business to meet the higher working capital requirement for the Group's China operations.

Lease liabilities decreased by S\$ 1.20 million due to lease repayment during the year.

The decrease of S\$5.34 million in trade and other payables was due to lower purchase and payment of accrued expenses in FY 2021 for Consumer Business.

#### Condensed interim consolidated statement of cash flows

Cash and cash equivalents excluding bank balances pledged as security increased by S\$ 1.94 million. This was primarily due to net cash generated from operating activities amounting to S\$ 5.03 million that arose mainly from improved operating results. This is partially offset by net cash used in investing activities amounting to S\$ 1.16 million, which mainly attributable to capital expenditure and net cash used in financing activities amounting to S\$ 1.93 million, which mainly due to repayment of borrowing and lease as well as dividend paid.

## OTHER INFORMATION

### 3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not applicable

### 4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next operating period and the next 12 months

Consumer Business reported a drop of 5.6% in revenue as compared to same period last year. The drop was contributed by Singapore Consumer Business as there was a surge in demand for basic necessities during Circuit breaker last year. Against the backdrop of the global pandemic, this segment continues to face a number of challenges ahead.

Covid situation in Malaysia has caused cooking oil pricing to be on an upward trend and this is likely to continue. Global tightening of basic food supplies and disruptions to shipping have already driven up the cost of rice. Recent pandemic spike in Thailand will further post the risk of soaring rice price. This will potentially increase the cost for the segment and place downward pressure on the margin of the group. Consumer sentiment is weary and will be careful with their spending. The segment will explore opportunities to expand its distribution network and manage the above risk posed.

The unprecedented disruptions created by the COVID 19 pandemic has heightened uncertainties in the global economy and the countries that the Packaging Business segment operates in.

Operationally, volatility in raw materials prices, which remains at elevated levels, posed significant challenges to the businesses. This leads to compressed operating margins since not all increase in costs can be passed on to the customers. The Packaging segment has been mitigating these challenges through productivity gains and continuous innovations, besides vigilantly monitoring and proactively managing the volatility

In addition, the Packaging segment remains vigilant against the impact of COVID19 on the health and safety of our team and the continuity of our operations. All mitigating and preventive measures remains in full force and where necessary, adjusted and improved to reflect the new realities.

Moving forward, the Packaging segment will seek growth by selectively identifying and leveraging on opportunities as and when they may arise while cautiously watch and mitigate any associated risks. The business will forge new partnerships and foster collaborations with customers and industry players to create new revenue streams, the new piece of land acquired at Hefei is a small step in this direction.

Despite the persistent disruptions brought about by COVID19, the Packaging segment has been and will continue to display resilience & resourcefulness in the face of a rapidly evolving competitive environment.

## 5. Dividend information

### 5a. Current Financial Period Reported on

Any dividend recommended for the current financial period reported on? Yes

Name of Dividend	Interim Ordinary
Dividend type	Cash; Tax exempt (1-tier) dividend
Dividend per share	S\$ 0.0025 per ordinary share
Tax rate	Exempt (1-tier)

## **OTHER INFORMATION**

### **5. Dividend information (cont'd)**

#### 5b. Corresponding Period of the Immediate Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? No

#### 5c. Date Payable

27 September 2021

#### 5d. Books Closure Date

13 September 2021

### **6. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.**

Not applicable

### **7. Interested person transactions**

The Group has not obtained a general mandate from shareholders of the Company for Interested Person Transactions.

### **8. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)**

The Company has received undertaking from all its directors and executive officers in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST.

### **9. Disclosure pursuant to Rule 706A of the Listing Manual**

PSC (China) Property Co., Limited, a dormant indirect wholly-owned subsidiary of the Company incorporated in Hong Kong, has been dissolved by way of deregistration on 5 March 2021. The deregistration is not expected to have any material effect on the net tangible assets or earnings per share of the Company for the financial year ending 31 December 2021. None of the directors of the Company or controlling shareholders of the Company has any interest, direct or indirect, in the deregistration.

On 10 June 2021, one of the company's subsidiary, Topseller Development Pte Ltd entered into a sales and purchase agreement to dispose the entire issued share capital of its wholly owned subsidiary, Nagomi Co. Ltd. The sale was completed on 14 July 2021.



## **Confirmation by the Board**

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the six-month period ended 30 June 2021 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Goi Seng Hui  
Director

John Chen Seow Phun  
Director

Singapore  
Date: 12 August 2021