

HANWELL HOLDINGS LIMITED

(Incorporated in Singapore)

(Company Registration No. 197400888M)

RESPONSE TO QUESTIONS RECEIVED FROM SHAREHOLDERS PRIOR TO THE COMPANY'S ANNUAL GENERAL MEETING

Shareholders and investors of Hanwell Holdings Limited (the “**Company**”) are advised to exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor, accountant or other professional adviser. As announced earlier, the Board will not be addressing questions at the Annual General Meeting (“**AGM**”). Instead, the Company will provide its responses to questions that are received from shareholders ahead of the AGM.

The Company refers to the questions received from shareholders ahead of the AGM to be held on 18 June 2020 at 2.00 p.m. by way of electronic means. Questions received from shareholders but are not provided with any response are essentially due to reasons of commercial sensitivity or not substantial and not relevant. The Company wishes to provide its responses to questions that are substantial and relevant that relate to the Company, as set out below.

	Questions	Responses
1	Can the board provide an update on how the Company deals with COVID-19 and its impact?	<p>Although the Group provides essential services, the circuit breaker measures implemented since 7 April 2020 have resulted in scaling down of the Group's operations, notably in respect of non-essential maintenance and overseas project development that has been delayed (please refer to our response to question 2 below). The adoption of certain safe distancing measures has also reduced the Group's productivity.</p> <p>Nonetheless, the Group continues to operate within the foregoing constraints and in line with the various advisories regularly issued by the Ministry of Health and other relevant authorities.</p> <p>Since the onset of the COVID-19 outbreak in Singapore, preventive measures including but not limited to regular temperature taking, safe distancing measures and increased frequency of cleaning/disinfecting have been implemented at the Group's office premises and factories; surgical masks are made readily available and employees are required to work from home insofar as practicable. Communication and reminders regarding good personal hygiene, safe practices and to avoid crowded places have also been regularly shared.</p> <p>Because of the Group's preventive efforts, there has been no COVID-19 cases occurred to the employees within the Group thus far. The Group is working closely with the government agencies with contact tracing and continues to keep in close contact with all employees to monitor their health, safety and well-being. The Group is cognizant of the uncertainties brought about by the on-going trade tension between the two super powers – China and USA including the recent COVID-19 outbreak. Notwithstanding these challenges, the Group will continue to look beyond its current market, exercise care and vigilance of its financial and non-financial exposure. The Group will leverage more on automation and digital solutions to be manpower smart and lean whilst steering a path through choppy waters so as to stay agile and resilient in the face of a myriad of threats ahead of us.</p>

	Questions	Responses
2	<p>For the land in Kyoto City, is the company still proceeding with its plans to develop a boutique hotel still ? If yes, how will the company finance the CAPEX?</p>	<p>In view of the COVID-19 impact to the hospitality sector that had caused some delays, the Company would be re-assessing its development plan for the Kyoto land.</p>
3	<p>Directors fees for 2020 is lesser than fees paid in 2019 . What is the reason behind the difference ? Also what the reason that fees are paid semi-annually instead of quarterly?</p>	<p>The Company has provided a lower amount for financial year 2020 as compared to 2019 mainly due to the retirement of Mr Lee Po On Mark in April 2019. The Group has a total of 7 directors as at the date of the AGM.</p> <p>Payment of the director fees ties in with the semi-annual reporting per amended listing rules from Singapore Exchange Securities Trading Limited with effect from 27 February 2020.</p>
4	<p>Why the mandate to issue new shares ? Is the Company looking to acquire new business via share issuance?</p> <p>The Company has not been doing share buybacks for a long time, why the renewal mandate to repurchase shares ?</p>	<p>The mandate to issue new shares is just a provision and presently the Company has no plans to issue new shares.</p> <p>A share buyback mandate provides directors with greater flexibility over the Company's share capital structure to enhance the returns to the shareholders in an expedient and cost-efficient manner, depending on market conditions.</p> <p>Share buybacks will help to mitigate short-term market volatility, offset the effect of short-term speculation and bolster shareholders' confidence.</p> <p>The Directors will decide when to effect the share buyback after considering the amount of cash available at that time, prevailing market conditions and the most effective and efficient approach. No share buyback will be made which would or might result in a material adverse effect on the financial position of the Group.</p>

	Questions	Responses
5	<p>Consumer Business has actually declined from SGD100 million in 2018 to SGD99 million in 2019. Why has revenue declined?</p> <p>What is the percentage of the Group's revenue coming from on-line retail channel and what kind of growth is likely to be expected?</p>	<p>The drop of SGD1 million is approximately a 1% decrease in revenue for the Singapore Consumer Business. A competitive business environment and matured retail sales environment has resulted in sluggish growth in the Singapore retail business, which will have an effect on the Singapore Consumer Business.</p> <p>Overall, the Group is upscaling and upskilling our supply chain management in terms of system capability to ensure a smooth and efficient supply chain operations. We have been building our commercial capabilities to strengthen our brand and sales execution both online and offline. Together, the coordinated approach will grow our Consumer Business.</p> <p>The implementation of Circuit Breaker has also accelerated the introduction of new products and increased sales in the Consumer Business as more families are cooking at home. Hence, growth is expected from on-line retail channel. In terms of the percentage of growth, it is still pre-matured at this stage as the COVID-19 situation continues to evolve very rapidly.</p>
6	<p>On page 114 of the Annual Report, what did the non-trade receivables impairment losses of SGD10 million relate to?</p> <p>On page 114 of the Annual Report, why was an impairment loss of S\$1,270,087 recorded?</p>	<p>Please refer to disclosures made under Notes 12 and 13 on page 114 of the Annual Report for the details.</p> <p>This is in relation to an impairment made historically. There was also such impairment amount recorded in FY 2018. The net impact on profit or loss statement of the Group is nil.</p> <p>Such disclosures are in line with the accounting standards for expected credit loss of the Group.</p>

	Questions	Responses
7	How many man-days did Dr Allan Yap allocate to Hanwell Holdings Limited ?	Dr Allan Yap has been Executive Chairman of Hanwell Holdings Limited for a number of years. It is not practicable to be definitive of what exactly is being done or to quantify the amount of work executed. The Board is assessing performance as a whole and not in parts.
8	What are the roles and responsibilities of Ching Yong Hai, a new Key Management Personnel?	Mr Ching is holding the position of Vice President of Topseller Pte Ltd (“TPL”) and has been with TPL since 2012. He is responsible for overseeing sales and logistics of TPL and accountable for its sales performance.
9	On page 10 of the Annual Report, it was stated that “we are faced with challenges with staff retention in Sales and Marketing Department due to the competitive business environment”. What is the Company's take on this?	These challenges had eased subsequently as the Company continues to make effort to retain and retrain staff in light of the COVID-19 situation that has a significant impact on the economy as a whole.

	Questions	Responses
10	How much of SGD130 million trade and other receivables as at 31 December 2019 have been collected so far? Is there any difficulty in its collection?	<p>The Group has put in place credit policy to establish credit limits for customers and their balances are monitored on an ongoing basis.</p> <p>Credit evaluation is also performed on its customers requiring credit over certain amounts.</p> <p>Therefore, from the risk management perspective, the Group has taken care of its collection reasonably well.</p>
11	On page 102 of the Annual Report 2019 about "Property, Plant and Equipment", it was stated that "During the year, the Group acquired property, plant and equipment with an aggregate cost of \$14,031,470". Where and what is the nature of this acquired PPE?	<p>This mainly relates to machine and equipment acquired by the Packaging Business for its new plant in Nantong.</p> <p>For more details, please refer to pages 98 to 102 of the Annual Report 2019.</p>

By Order of the Board

Chew Kok Liang / Siau Kuei Lian
Joint Company Secretaries

18 June 2020