

First Quarter Financial Statements

PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2, Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED INCOME STATEMENT

	GROUP		+ / (-) %
	1st Quarter Ended 31 March		
	2018 S\$'000	2017 S\$'000	
Revenue	119,274	105,692	12.9
Cost of sales	(91,897)	(82,381)	11.6
Gross profit	27,377	23,311	17.4
Other income	346	303	14.2
Distribution expenses	(11,359)	(10,470)	8.5
Administrative expenses	(8,210)	(7,431)	10.5
Other expenses	(2,955)	(1,914)	54.4
Results from operating activities	5,199	3,799	36.9
Net finance income	559	506	10.5
Profit before tax	5,758	4,305	33.8
Tax expense	(1,588)	(1,826)	(13.0)
Profit for the period	4,170	2,479	68.2
Attributable to:			
Owners of the Company	1,733	852	103.4
Non-controlling interests	2,437	1,627	49.8
Profit for the period	4,170	2,479	68.2

1(a)(ii) Notes to the Income Statement

	GROUP	
	1st Quarter Ended	
	31 March	
	2018	2017
	S\$'000	S\$'000
Profit before tax is stated after (crediting) / charging:		
Interest income	(509)	(594)
Amortisation of deferred income	(45)	(29)
Gain on disposal of property, plant and equipment	(16)	(5)
Bad debts written off	2,025	-
Net increase in fair value of financial assets designated at fair value through profit or loss	(395)	(161)
Allowance for doubtful receivables	83	174
(Write back)/allowance for inventory obsolescence	(44)	42
Depreciation of investment properties	12	5
Depreciation of property, plant and equipment	2,499	2,075
Inventories written off	45	35
Property, plant and equipment written off	37	10
Exchange loss	808	1,723
Interest on borrowings	345	249
Taxation		
Current year tax	1,524	1,955
Under/(over) provision of tax in respect of prior years	102	(12)
Current year deferred tax	(38)	(121)
Under provision of deferred tax in respect of prior years	-	4
	<u>1,588</u>	<u>1,826</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	GROUP		
	1st Quarter Ended		
	31 March		
	2018	2017	+ / (-)
	S\$'000	S\$'000	%
Profit for the period	4,170	2,479	68.2
Other comprehensive income - Items that are or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences of foreign operations	2,662	(3,217)	n.m.
Effective portion of changes in fair value of cash flow hedges	9	(43)	n.m.
Net change in fair value of available-for-sale financial assets	2	4	n.m.
Other comprehensive income for the period, net of tax	<u>2,673</u>	<u>(3,256)</u>	n.m.
Total comprehensive income for the period	<u>6,843</u>	<u>(777)</u>	n.m.
Attributable to:			
Owners of the Company	3,516	(1,294)	n.m.
Non-controlling interests	3,327	517	543.5
Total comprehensive income for the period	<u>6,843</u>	<u>(777)</u>	n.m.

n.m. - not meaningful

*restated - Refer to paragraph 5

1(a)(ii) Brief Review of Financial Performance

The Group recorded revenue of \$119.27 million in the first quarter of 2018 (Q1 2018). This was \$13.58 million (12.9%) higher than the revenue of \$105.69 million accounted in the first quarter of 2017 (Q1 2017). The increase was mainly attributed to stronger demand in Packaging Business (Tat Seng Group) and higher revenue achieved by Consumer Business in Malaysia due to new agency products.

The gross profit for the Group increased by 17.4% from \$23.31 million in Q1 2017 to \$27.38 million in Q1 2018. This is mainly attributed by the growth in revenue and increase in gross profit margin from 22.06% in Q1 2017 to 22.95% in Q1 2018.

Other income of S\$0.35 million in Q1 2018 was higher than \$0.30 million in Q1 2017 mainly due to a higher gain on disposal of Property, Plant and Equipment and grant received.

The increase in distribution expenses from \$10.47 million in Q1 2017 to \$11.36 million in Q1 2018, an increase of \$0.89 million (8.5%). This was mainly the result of higher sales in Packaging Business and Consumer business in Malaysia.

Administrative expenses increased by 10.5% (\$0.78 million) in Q1 2018 from \$7.43 million to S\$8.21 million. This was attributed mainly to higher provision of staff incentives as a result of better performance in the Packaging Business.

Other operating expenses increased from \$1.91 million in Q1 2017 to \$2.96 million in Q1 2018. This is mainly due to the write-off of a long outstanding receivables which the group has determined to be non-recoverable based on new information in Q1 2018.

The results from operating activities were \$5.20 million in Q1 2018 as compared to \$3.80 million in Q1 2017, an increase of 36.9%.

Net finance income was \$0.56 million in Q1 2018 as compared to \$0.51 million in Q1 2017 mainly due to a net fair value gain of financial assets designated at fair value through profit or loss in Q1 2018 (\$0.23 million), which is offset by a higher interest expense (\$0.10 million) .

The Group achieved higher profit before tax of \$5.76 million in Q1 2018 as compared to \$4.31 million for the corresponding period last year. Tax expense was \$1.59 million in Q1 2018 as compared to \$1.83 million in Q1 2017.

The Group's net profit after tax for Q1 2018 was \$4.17 million as compared to \$2.48 million reported for Q1 2017. The net profit attributable to shareholders was \$1.73 million for Q1 2018 as compared to \$0.85 million reported for Q1 2017.

1(b)(i) CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	GROUP		COMPANY	
		31/3/2018 S\$'000	31/12/2017 S\$'000 (restated)*	31/3/2018 S\$'000	31/12/2017 S\$'000
Non-current assets					
Property, plant and equipment	1	123,204	115,582	33,278	30,469
Investment properties		8,099	7,820	-	-
Subsidiaries		-	-	40,009	40,009
Other financial assets		70	68	70	68
Intangible assets		1,149	1,116	-	-
Deferred tax assets		2,063	1,980	-	-
		<u>134,585</u>	<u>126,566</u>	<u>73,357</u>	<u>70,546</u>
Current assets					
Other financial assets, including derivatives	2	2,393	1,998	2,393	1,998
Inventories	3	46,104	47,727	-	-
Trade and other receivables	4	164,763	168,541	47,460	45,785
Cash and cash equivalents	5	142,662	147,912	77,151	86,815
Assets held for sale		46,863	46,065	-	-
		<u>402,785</u>	<u>412,243</u>	<u>127,004</u>	<u>134,598</u>
Total assets		<u>537,370</u>	<u>538,809</u>	<u>200,361</u>	<u>205,144</u>
Equity attributable to equity holders of the Company					
Share capital		200,100	200,100	200,100	200,100
Reserves		81,492	77,975	(11,383)	(9,612)
		<u>281,592</u>	<u>278,075</u>	<u>188,717</u>	<u>190,488</u>
Non-controlling interests					
		61,814	58,488	-	-
Total equity		<u>343,406</u>	<u>336,563</u>	<u>188,717</u>	<u>190,488</u>
Non-current liabilities					
Loans and borrowings	6	2,348	221	-	-
Deferred income		2,042	2,020	443	443
Deferred tax liabilities		1,389	1,328	-	-
		<u>5,779</u>	<u>3,569</u>	<u>443</u>	<u>443</u>
Current liabilities					
Trade and other payables, including derivatives	7	128,669	135,619	11,201	14,213
Loans and borrowings	6	57,617	61,224	-	-
Deferred income		173	163	-	-
Current tax liabilities		1,726	1,671	-	-
		<u>188,185</u>	<u>198,677</u>	<u>11,201</u>	<u>14,213</u>
Total liabilities		<u>193,964</u>	<u>202,246</u>	<u>11,644</u>	<u>14,656</u>
Total equity and liabilities		<u>537,370</u>	<u>538,809</u>	<u>200,361</u>	<u>205,144</u>

*restated - Refer to paragraph 5

Note:

- Property, plant and equipment increased by S\$7.62 million for the group in Q1 2018 mainly due to construction cost of a new factory and addition of plant and machinery for overseas subsidiaries.
- Other financial assets increased by S\$0.40 million for both the Group and the Company mainly due to increase in fair value of financial assets designated at fair value through profit or loss.
- At the Group level, inventories decreased by S\$1.62 million in Q1 2018 mainly due to reduction in inventories for Consumer business as a result of higher sales during festive period in early 2018. This is partially offset by higher inventory holding for Packaging business due to anticipation of higher raw material price.
- Trade and other receivables decreased by S\$3.78 million mainly due to write-off of an outstanding receivables for an overseas subsidiary and lower sales in Q1 2018 as compared to Q4 2017 for Packaging business, which resulted in the reduction. This is partially offset by higher sales in Q1 2018 as compared to Q4 2017 for Consumer business due to festive period.
- Refer to the consolidated statement of cash flows on Page 6 for details of movements in cash and cash equivalents.
- Total loans and borrowings decreased by S\$1.48 million was mainly due to repayment of bills payables of S\$3.12 million, which is offset by increase in utilisation of term loans of S\$1.64 million by the Packaging Business.
- The decrease of S\$6.95 million in trade and other payables was due to repayment to suppliers for the higher stockholding during Q4 2017 as well as to contractor for the new warehouse constructed in headquarter.

1(b)(ii) Aggregate amount of Group's borrowings and debt securities

	As at	
	31/3/2018	31/12/2017
	S\$'000	S\$'000
Amount repayable in one year or less, or on demand		
- secured	43,154	46,869
- unsecured	14,463	14,355
	<u>57,617</u>	<u>61,224</u>
Amount repayable after one year		
- secured	2,136	13
- unsecured	212	208
	<u>2,348</u>	<u>221</u>
Total	<u>59,965</u>	<u>61,445</u>

Details of any collateral :

The total secured borrowings of S\$45.29 million as at 31 March 2018 include:

Bank loans and bill payables of S\$45.29 million, secured on leasehold land, certain leasehold buildings, certain plant and machinery and certain motor vehicle held by the Packaging Business with net book value of approximately S\$22.24 million and cash and bank balances of S\$9.81 million.

1(c) A cash flow statement (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	GROUP	
		1st Quarter Ended 31 March	
		2018	2017
		S\$'000	S\$'000
Cash flows from operating activities			
Profit for the period		4,170	2,479
Adjustments for:			
Amortisation of deferred income		(45)	(29)
Depreciation of investment properties		12	5
Depreciation of property, plant and equipment		2,499	2,075
Gain on disposal of property plant and equipment		(16)	(5)
Net finance income		(164)	(345)
Increase in fair value of financial assets designated at fair value through profit or loss		(395)	(161)
Inventories written off		45	35
Property, plant and equipment written off		37	10
Tax expense		1,588	1,826
Unrealised exchange loss		1,538	1,512
		9,269	7,402
Changes in:			
- Inventories	1	2,232	6,882
- Trade and other receivables	2	6,665	(10,147)
- Trade and other payables	3	2,872	(9,836)
Cash generated from/(used in) operations		21,038	(5,699)
Tax paid		(1,659)	(2,635)
Net cash generated from/(used in) operating activities		19,379	(8,334)
Cash flows from investing activities			
Deposit received in relation to assets held-for-sale		-	9,028
Interest received		319	262
Proceeds from disposal of property, plant and equipment		84	18
Purchase of property, plant and equipment		(21,342)	(3,474)
Net cash (used in)/from investing activities		(20,939)	5,834
Cash flows from financing activities			
Decrease/(Increase) in pledged deposits		3,085	(2,431)
Interest paid		(345)	(249)
Payment of finance lease liabilities		(4)	(4)
Proceeds from borrowings	4	26,973	22,857
Repayment of borrowings	4	(29,500)	(16,313)
Net cash from financing activities		209	3,860
Net (decrease)/increase in cash and cash equivalents		(1,351)	1,360
Cash and cash equivalents at beginning of the period		135,020	170,887
Effect of exchange rate fluctuations on cash held		(815)	(2,358)
Cash and cash equivalents at end of the period		132,854	169,889
Comprising:			
Cash at bank and in hand		55,369	58,725
Fixed deposits with banks		87,293	118,097
		142,662	176,822
Deposits pledged		(9,808)	(6,933)
		132,854	169,889

Note:

- 1 Please refer to note 3 in consolidated statement of financial position.
- 2 Please refer to note 4 in consolidated statement of financial position.
- 3 Please refer to note 7 in consolidated statement of financial position.
- 4 Please refer to note 6 in consolidated statement of financial position.

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group	Issued Capital	Treasury Shares	Share Capital	Other Reserves	Fair Value Reserve	Hedging Reserve	Translation Reserve	Retained Earnings	Total	Non-Controlling Interests	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 January 2018	204,327	(4,227)	200,100	10,667	52	(18)	(restated)* (820)	(restated)* 68,094	278,075	58,488	336,563
Total comprehensive income for the period											
Profit for the period	-	-	-	-	-	-	-	1,733	1,733	2,437	4,170
Other comprehensive income											
Foreign currency translation differences of foreign operations	-	-	-	-	-	-	1,775	-	1,775	887	2,662
Net change in fair value of available-for-sale financial assets	-	-	-	-	2	-	-	-	2	-	2
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	-	6	-	-	6	3	9
Total other comprehensive income	-	-	-	-	2	6	1,775	-	1,783	890	2,673
Total comprehensive income for the period	-	-	-	-	2	6	1,775	1,733	3,516	3,327	6,843
At 31 March 2018	204,327	(4,227)	200,100	10,667	54	(12)	955	69,827	281,591	61,815	343,406
At 1 January 2017	204,327	(4,227)	200,100	7,815	33	3	(3,119)	65,728	270,560	51,803	322,363
Impact of adoption of IFRS 1	-	-	-	-	-	-	3,119	(3,119)	-	-	-
At 1 January 2017, as restated	204,327	(4,227)	200,100	7,815	33	3	-	62,609	270,560	51,803	322,363
Total comprehensive income for the period											
Profit for the period	-	-	-	-	-	-	-	852	852	1,627	2,479
Other comprehensive income											
Foreign currency translation differences of foreign operations	-	-	-	-	-	-	(2,121)	-	(2,121)	(1,096)	(3,217)
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	-	(29)	-	-	(29)	(14)	(43)
Net change in fair value of available-for-sale financial assets	-	-	-	-	4	-	-	-	4	-	4
Total other comprehensive income	-	-	-	-	4	(29)	(2,121)	-	(2,146)	(1,110)	(3,256)
Total comprehensive income for the period	-	-	-	-	4	(29)	(2,121)	852	(1,294)	517	(777)
Transactions with owners, recognised directly in equity											
Distributions to owners											
Unclaimed dividend reversed	-	-	-	-	-	-	-	2	2	-	2
Total transactions with owners	-	-	-	-	-	-	-	2	2	-	2
At 31 March 2017	204,327	(4,227)	200,100	7,815	37	(26)	(2,121)	63,463	269,268	52,320	321,588

*restated - Refer to paragraph 5

Company	Issued Capital	Treasury Shares	Share Capital	Other Reserves	Fair Value Reserve	Accumulated Losses	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 January 2018	204,327	(4,227)	200,100	491	51	(10,154)	190,488
Total comprehensive income for the period							
Loss for the period	-	-	-	-	-	(1,774)	(1,774)
Other comprehensive income							
Net change in fair value of available-for-sale financial assets	-	-	-	-	3	-	3
Total comprehensive income for the period	-	-	-	-	3	(1,774)	(1,771)
At 31 March 2018	204,327	(4,227)	200,100	491	54	(11,928)	188,717
At 1 January 2017	204,327	(4,227)	200,100	491	32	(9,081)	191,542
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	(2,226)	(2,226)
Other comprehensive income							
Net change in fair value of available-for-sale financial assets	-	-	-	-	5	-	5
Total comprehensive income for the period	-	-	-	-	5	(2,226)	(2,221)
Transactions with owners, recognised directly in equity							
Distributions to owners							
Unclaimed dividend reversed	-	-	-	-	-	2	2
Total transactions with owners	-	-	-	-	-	2	2
At 31 March 2017	204,327	(4,227)	200,100	491	37	(11,305)	189,323

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

(i) **Share Capital**

Group and Company

In issue at 1 Jan and 31 March

	2018	2017
	No. of shares	No. of shares
	570,996,746	570,996,746

(ii) **Treasury shares**

Group and Company

Balance as at the end of the period

	2018	2017
	No. of shares	No. of shares
	17,581,000	17,581,000

(iii) There were no subsidiary holdings as at 31 March 2018 and 31 March 2017

The total number of issued shares excluding treasury shares and subsidiary holdings as at the end of the current financial period was 553,415,746 (31 March 2017: 553,415,746).

(iv) **HANWELL Executives' Share Option Scheme 2003**

During the financial period ended 31 March 2018, there was no new issuance nor exercise of share options in respect of unissued ordinary shares under the HANWELL Executives' Share Option Scheme 2003. The balance of issued non-discounted options, including options issued in 2003 was 10,150,000 as at 31 March 2018. 10,150,000 shares may be issued on conversion of all the outstanding options at the end of the current period.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	As at	
	31/3/2018	31/12/2017
Total number of issued shares	553,415,746	553,415,746

1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

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

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable. There were no subsidiary holdings during and at the end of the current financial period reported on.

2 Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited nor reviewed.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Other than the adoption of the new and revised Singapore Financial Reporting Standards (SFRS) which took effect from the current financial year, there were no changes in accounting policies and methods of computation adopted in the financial statements for the current reporting period as compared to the most recent audited annual financial statements as at 31 December 2017.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

In adopting the new SFRS(I) framework with effect from 1 January 2018, the Group is required to apply the specific transition requirements in SFRS(I) 1 First-time Adoption of International Financial Reporting Standards.

In addition, during the current financial year, the Group and the Company have adopted the following new SFRS(I)s, amendments and interpretations of SFRS(I)s which took effect from financial year beginning 1 January 2018:

- SFRS(I) 15 Revenue from Contracts with Customers which includes the clarifications to IFRS 15 Revenue from Contracts with Customers;
- SFRS(I) 9 Financial Instruments which includes the amendments to IFRS 4 Insurance Contracts – Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts;
- Requirements in SFRS(I) 2 Share-based payment arising from the amendments to IFRS 2 – Classification and Measurement of Share-based Payment Transactions;
- Requirements in SFRS(I) 1-40 Investment Property arising from the amendments to IAS 40 – Transfers of Investment Property;
- Requirements in SFRS(I) 1 arising from the amendments to IFRS 1 – Deletion of short-term exemptions for first-time adopters;
- Requirements in SFRS(I) 1-28 Investments in Associates and Joint Ventures arising from the amendments to IAS 28 – Measuring an Associate or Joint Venture at Fair Value; and
- SFRS(I) INT 22 Foreign Currency Transactions and Advance Consideration.

SFRS(I) 1

The Group has adopted SFRS(I) for the financial year ending 31 December 2018 ("FY 2018") and has applied SFRS(I) 1 with 1 January 2017 as the date of transition for the Group and the Company. The Group has elected the optional exemption in SFRS(I) 1 to reset its cumulative Foreign Currency Translation Reserve ("FCTR") for all foreign operations to NIL at the date of transition, and reclassify the cumulative FCTR of approximately \$3,119,149 as at 1 January 2017 as determined in accordance with the previous Financial Reporting Standards (FRS) at that date to retained earnings. After the date of transition, any gain or loss on disposal of any foreign operations will exclude translation differences that arose before the date of transition.

SFRS(I) 9

SFRS(I) 9 replaces the current 'incurred loss' model with a forward-looking expected credit loss ("ECL") model. The new impairment model applies to financial assets measured at amortised cost or fair value through other comprehensive income ("FVOCI"), except for investments in equity instruments, and certain loan commitments and financial guarantee contracts.

In compliance with SFRS(I) 9, the Group has applied the simplified approach and has recorded the amount of loss allowance on all trade and other receivables by ascertaining the amount of ECLs that would result from all possible default events over the expected life of a financial instrument (lifetime ECLs). Based on the assessment made, there was no significant changes in impairment for trade and other receivables the Group and for the Company respectively as at 1 January 2018 with the adoption of SFRS(I) 9.

SFRS(I) 15

SFRS(I) 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met. There's no significant adjustments on adoption of SFRS(I) 15.

6 Earning per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	GROUP	
	1st Quarter Ended	
	31/3/2018	31/3/2017
	cents	cents
Earnings per ordinary share of the group for the financial period based on net profit attributable to shareholders:		
Basic earnings per share	0.31	0.15
Diluted earnings per share	0.31	0.15

7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year.

	GROUP		COMPANY	
	31/3/2018	31/12/2017	31/3/2018	31/12/2017
	cents	cents	cents	cents
Net asset value per ordinary share based on issued share capital at the end of the period reported on	50.88	50.25	34.10	34.42

8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cashflow, working capital, assets or liabilities of the group during the current financial period reported on.

Consumer Business

Revenue increased by S\$1.65 million or 4.0% in Q1 2018, from S\$41.51 million in Q1 2017 to S\$43.16 million in Q1 2018. The increase was mainly due to higher revenue generated from distribution business in Singapore and Malaysia due to higher demand from customers and new agency products. This was partially offset by closure of all franchise outlets.

The Consumer Business recorded a loss before interest and tax of S\$0.13 million in Q1 2018 as compared to loss before interest and tax of S\$1.09 million in Q1 2017. Excluding foreign currency impact, the PBIT in Q1 2018 is S\$0.68 million as compared to PBIT of S\$0.64 million in Q1 2017.

Packaging Business

Tat Seng Packaging Group Ltd is a listed company on SGX and is not required to make announcements of its first and third quarters' results by virtue of its market capitalisation. Accordingly, there would not be any comments made on the specific financial results of Tat Seng Group in Hanwell Holdings Limited's announcement of its Q1 2018 results.

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

Not applicable.

10 A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Consumer Business is seeing a hike in price for rice globally and had been cautious in managing purchase and margins while pursuing growth. The fast moving consumer goods(FMCG) remained competitive. We will continue to focus on new products development to maintain growth and market share in this segment.

The Group's Packaging Business expects the operating environment for both Singapore and China to remain challenging with the uncertainty of macro-economic conditions, the volatility of raw materials prices and the competitive environment in this industry. In view of this, the segment will continue to execute improvement strategies in terms of cost management, enhance operational efficiency and boosting productivity. It will continue to invest and upgrade its machineries, improve staff skills and IT capabilities in order to achieve long-term competitiveness and to better serve its customers.

11 Dividend

(a) Current Financial Period Reported On

The directors do not recommend any declaration of dividend for the current financial period reported on.

(b) Corresponding Period of the Immediately Preceding Financial Year

No dividend was declared for the corresponding period of the preceding financial year.

12 If no dividend has been declared/recommended, a statement to that effect.

No dividend was declared / recommended for the current financial period reported on.

13 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Company has not obtained a general mandate from shareholders pursuant to Rule 920 of the Listing Manual.

14 NEGATIVE ASSURANCE CONFIRMATION ON INTERIM FINANCIAL RESULTS PURSUANT TO RULE 705(5) OF THE LISTING MANUAL

The Board of Directors has confirmed that, to the best of their knowledge, nothing has come to their attention which may render these interim financial results to be false or misleading in any material aspect.

15 Confirmation of Undertakings from Directors and Executive Officers pursuant to Rule 720(1) of the Listing Manual

The Company has procured undertakings in the format set out in Appendix 7.7 from all its directors and executive officers under Rule 720(1) of the Listing Manual.

BY ORDER OF THE BOARD

Dr Allan Yap

Chairman

11 May 2018