

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 3rd Quarter Ended 30 September			GROUP Year to Date Ended 30 September		
	2015 S\$'000	2014 S\$'000	+ /(-) %	2015 S\$'000	2014 S\$'000	+ /(-) %
Revenue	104,112	103,823	0.3	312,190	311,424	0.2
Cost of sales	(81,271)	(82,129)	(1.0)	(245,343)	(246,718)	(0.6)
Gross profit	22,841	21,694	5.3	66,847	64,706	3.3
Other income	1,934	606	219.1	3,005	2,424	24.0
Distribution expenses	(11,298)	(11,471)	(1.5)	(33,590)	(33,169)	1.3
Administrative expenses	(7,753)	(7,585)	2.2	(22,985)	(22,580)	1.8
Other expenses	(802)	(381)	n.m.	(1,609)	(1,186)	35.7
Results from operating activities	4,922	2,863	71.9	11,668	10,195	14.4
Net finance (costs)/income	(382)	(471)	n.m.	3,244	(2,416)	n.m.
Share of loss of associates (net of tax)	-	-	n.m.	-	-	n.m.
Profit before tax	4,540	2,392	89.8	14,912	7,779	91.7
Tax expense	(1,269)	(951)	33.4	(3,579)	(3,177)	12.7
Profit for the period	3,271	1,441	127.0	11,333	4,602	146.3
Attributable to:						
Owners of the Company	1,936	340	469.4	7,335	1,527	380.4
Non-controlling interests	1,335	1,101	21.3	3,998	3,075	30.0
Profit for the period	3,271	1,441	127.0	11,333	4,602	146.3

n.m. - not meaningful

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

	GROUP		GROUP	
	3rd Quarter Ended		Year to Date Ended	
	2015	2014	2015	2014
	S\$'000	S\$'000	S\$'000	S\$'000
Profit before tax is stated after crediting:				
Interest income	476	425	1,432	1,251
Dividend income	1	-	2	1
Amortisation of deferred income	31	28	93	82
Gain/(Loss) on disposal of:				
- disposal of investment properties	-	-	-	14
- property, plant and equipment	31	(55)	192	51
- available-for-sale financial assets	-	-	3,087	-
Exchange gain	1,491	171	1,380	702
and after charging:				
Allowance made for doubtful receivables	504	357	1,271	1,149
Bad debts written off/(recovered)	1	-	10	(10)
Change in fair value of the derivatives	289	-	289	-
Depreciation of investment properties	5	18	16	18
Depreciation of property, plant and equipment	2,272	2,107	6,914	6,305
Net decrease in fair value of financial assets designated at fair value through profit or loss	485	310	11	1,882
Allowance for stock obsolescence	67	76	109	47
Inventories written off	36	4	40	18
Property, plant and equipment written off	6	23	44	42
Interest on borrowings	374	585	1,266	1,785
Taxation				
Current year tax	1,333	1,314	3,925	4,379
Under/(Over) provision of tax in respect of prior years	70	(75)	(189)	32
Current year deferred tax	(134)	(300)	(150)	(1,221)
Over provision of deferred tax in respect of prior years	-	12	(7)	(13)
	<u>1,269</u>	<u>951</u>	<u>3,579</u>	<u>3,177</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	GROUP			GROUP		
	3rd Quarter Ended			Year to Date Ended		
	2015	2014	+ /(-)	2015	2014	+ /(-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Profit for the period	3,271	1,441	127.0	11,333	4,602	146.3
Other comprehensive income						
Items that are or may be reclassified subsequently to profit or loss:						
Foreign currency translation differences - foreign operations	1,862	3,695	(49.6)	2,499	(1,167)	n.m.
Net change in fair value of available-for-sale financial assets	(7)	106	n.m.	(1,481)	308	n.m.
Other comprehensive income for the period, net of tax	<u>1,855</u>	<u>3,801</u>	<u>(51.2)</u>	<u>1,018</u>	<u>(859)</u>	<u>n.m.</u>
Total comprehensive income for the period	<u>5,126</u>	<u>5,242</u>	<u>(2.2)</u>	<u>12,351</u>	<u>3,743</u>	230.0
Attributable to:						
Owners of the Company	2,795	3,145	(11.1)	7,230	992	628.8
Non-controlling interests	<u>2,331</u>	<u>2,097</u>	<u>11.2</u>	<u>5,121</u>	<u>2,751</u>	<u>86.2</u>
Total comprehensive income for the period	<u>5,126</u>	<u>5,242</u>	<u>(2.2)</u>	<u>12,351</u>	<u>3,743</u>	230.0

n.m. - not meaningful

Brief Review of Financial Performance

The Group recorded revenue of \$104.11 million in the third quarter of 2015 (Q3 2015). This was \$0.29 million (0.3%) higher than the revenue of \$103.82 million accounted in the third quarter of 2014 (Q3 2014). The increase was attributed to the Group's Strategic Investment in the Packaging Business (Tat Seng Group) for revenue generated from new customers. However, this increase was partially offset by lower revenue generated by the distribution segment of Consumer Business in Singapore.

With the increase in revenue in Q3 2015, the gross profit for the Group also increased from \$21.69 million in Q3 2014 to \$22.84 million in Q3 2015. The increase in gross profit and gross profit margin was mainly due to higher margin achieved by the Packaging Business.

Other income increased by \$1.33 million in Q3 2015 mainly due to favourable exchange rate movement in HK Dollar ("HKD") against Singapore Dollar ("SGD") for fixed deposits held in HKD.

The decrease in distribution expenses from \$11.47 million in Q3 2014 to \$11.30 million in Q3 2015 was mainly due to lower advertising and promotion expenses incurred by subsidiaries in Malaysia. Administrative expenses increased by 2.2% (\$0.17 million) in Q3 2015 attributed mainly to higher staff costs in the Packaging Business in China.

Other expenses increased by \$0.42 million from \$0.38 million in Q3 2014 to \$0.80 million in Q3 2015 were related to loss in fair value of the derivatives of \$0.29 million and higher allowance made for doubtful receivables in Q3 2015.

The results from operating activities were \$4.92 million in Q3 2015 as compared to \$2.86 million in Q3 2014, an increase of 71.9%.

Net finance costs were \$0.38 million in Q3 2015 as compared to \$0.47 million in Q3 2014 mainly due to lower interest expenses on borrowings and higher interest income for Q3 2015. The decrease was partially set-off by higher net fair value loss of financial assets designated at fair value through profit or loss in Q3 2015 (\$0.49 million) as compared to Q3 2014 (\$0.31 million).

The Group achieved higher profit before tax of \$4.54 million in Q3 2015 as compared to \$2.39 million for the corresponding period last year. Tax expense was \$1.27 million in Q3 2015 as compared to \$0.95 million in Q3 2014.

The Group's net profit after tax for Q3 2015 was \$3.27 million as compared to \$1.44 million reported for Q3 2014. The net profit attributable to shareholders was \$1.94 million for Q3 2015 as compared to \$0.34 million reported for Q3 2014.

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

	Note	GROUP		COMPANY	
		30/09/2015 S\$'000	31/12/2014 S\$'000	30/09/2015 S\$'000	31/12/2014 S\$'000
Non-current assets					
Property, plant and equipment		78,841	76,095	9,552	10,435
Investment properties		791	949	-	-
Subsidiaries		-	-	41,241	41,241
Other financial assets	3	47	2,732	47	1,900
Intangible assets		1,224	1,162	-	-
Deferred tax assets		1,596	1,681	-	-
		<u>82,499</u>	<u>82,619</u>	<u>50,840</u>	<u>53,576</u>
Current assets					
Inventories	1	32,667	42,125	6,392	9,025
Trade and other receivables	2	144,675	146,948	60,203	70,012
Other financial assets	3	1,955	5,777	1,955	5,777
Cash and cash equivalents	4	150,927	119,735	97,278	78,687
Assets held-for-sale		50,553	48,009	-	-
		<u>380,777</u>	<u>362,594</u>	<u>165,828</u>	<u>163,501</u>
Total assets		<u>463,276</u>	<u>445,213</u>	<u>216,668</u>	<u>217,077</u>
Equity attributable to equity holders of the Company					
Share capital		200,100	200,100	200,100	200,100
Reserves		67,349	60,119	(1,659)	(3,521)
		<u>267,449</u>	<u>260,219</u>	<u>198,441</u>	<u>196,579</u>
Non-controlling interests		48,116	44,167	-	-
Total equity		<u>315,565</u>	<u>304,386</u>	<u>198,441</u>	<u>196,579</u>
Non-current liabilities					
Loans and borrowings	5	1,800	1,218	-	-
Deferred income		1,117	1,153	-	-
Deferred tax liabilities		1,778	2,042	-	-
		<u>4,695</u>	<u>4,413</u>	<u>-</u>	<u>-</u>
Current liabilities					
Trade and other payables	6	111,701	103,831	18,227	20,498
Loans and borrowings	5	29,688	31,734	-	-
Deferred income		125	121	-	-
Current tax payable		1,502	728	-	-
		<u>143,016</u>	<u>136,414</u>	<u>18,227</u>	<u>20,498</u>
Total liabilities		<u>147,711</u>	<u>140,827</u>	<u>18,227</u>	<u>20,498</u>
Total equity and liabilities		<u>463,276</u>	<u>445,213</u>	<u>216,668</u>	<u>217,077</u>

Note:

- Inventories decreased by \$9.46 million was mainly due to the Consumer Business in Singapore reducing their stockholding as a result of termination of distributorships for some agency products and reduced the targeted stock holding.
- The decrease of \$2.27 million in trade and other receivables was mainly due to reduction in trade receivables from the packaging segment due to additional \$1.10 million impairment losses on doubtful receivables, coupled with maturity of bills receivables in the current period. In addition, there was a partial settlement of debt security held by a subsidiary in Singapore of \$1.40 million in Q1 2015. However, it was partially set-off by higher advance payment to upgrade the corrugator machine of the Packaging Business in China.
- Other financial assets decreased by \$6.51 million and \$5.68 million in Q3 2015 for the Group and Company respectively, mainly due to maturity of loan note of \$2.80 million and disposal of available-for-sale financial assets of \$3.41 million, partially set-off by an increase in fair value of financial assets designated at fair value through profit or loss.
- Refer to the consolidated statement of cash flow on Page 6 for details of movements in cash and cash equivalents.
- Total loans and borrowings decreased by \$1.46 million was mainly due to repayment of loans and borrowings by the Packaging Business.
- The increase of \$7.87 million in trade and other payables for the Group due to additional non-refundable deposits received for the disposal of the assets held-for-sale.

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

	As at	
	30/09/2015	31/12/2014
	S\$'000	S\$'000
Amount repayable in one year or less, or on demand		
- secured	12,587	20,156
- unsecured	17,101	11,578
	<u>29,688</u>	<u>31,734</u>
Amount repayable after one year		
- secured	1,800	1,218
	<u>1,800</u>	<u>1,218</u>
Total	<u>31,488</u>	<u>32,952</u>

Details of any collateral :

The total secured borrowings of \$14.39 million as at 30 September 2015 include:

Bank loans and bill payables of \$14.32 million, secured by the leasehold land, certain leasehold buildings and certain plant and machinery held by the Packaging Business with carrying amount of approximately \$29.65 million, cash and bank balances of \$3.96 million and bills receivables of \$5.61 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	
		3rd Quarter Ended	
		30 September	
		2015	2014
		S\$'000	S\$'000
Operating activities			
Profit for the period		3,271	1,441
Adjustments for:			
Tax expense		1,269	951
Depreciation of investment properties		5	18
Depreciation of property, plant and equipment		2,272	2,107
(Gain)/Loss on disposal of:			
- property plant and equipment		(31)	55
Property, plant and equipment written off		6	23
Amortisation of deferred income		(31)	(28)
Unrealised exchange (gain)/loss		(2,479)	503
Net finance costs		382	471
Operating profit before working capital changes		4,664	5,541
Changes in working capital:			
Inventories	1	4,515	(4,137)
Trade and other receivables	2	6,013	1,566
Trade and other payables	3	(2,405)	(1,472)
Cash generated from operations		12,787	1,498
Tax paid		(1,328)	(1,841)
Net cash from operating activities		11,459	(343)
Investing activities			
Interest received		333	173
Proceeds from sale of:			
- property, plant and equipment		59	283
Purchase of property, plant and equipment		(3,176)	(1,446)
Deposit received in relation to assets held-for-sale		9,172	3,209
Net cash from investing activities		6,388	2,219
Financing activities			
Interest paid		(374)	(585)
Dividends paid		(605)	(605)
Payment of finance lease liabilities		(4)	2
Decrease/(Increase) in pledged deposits		1,542	(1,184)
Proceeds from borrowings	4	13,593	16,871
Repayment of borrowings	4	(17,321)	(15,449)
Net cash used in financing activities		(3,169)	(950)
Net increase in cash and cash equivalents		14,678	926
Cash and cash equivalents at beginning of the period		130,880	113,059
Effect of exchange rate fluctuations on cash held		1,411	2
Cash and cash equivalents at end of the period		146,969	113,987
Comprising:			
Cash at bank and in hand		45,920	46,678
Fixed deposits with banks		105,007	75,788
		150,927	122,466
Bank overdrafts		-	(2,741)
Deposits pledged		(3,958)	(5,738)
		146,969	113,987

Note:

- 1 Please refer to note 1 in consolidated statement of financial position.
- 2 Please refer to note 2 in consolidated statement of financial position.
- 3 Please refer to note 6 in consolidated statement of financial position.
- 4 Please refer to note 5 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.

	Issued Capital	Treasury Shares	Share Capital	Other Reserves	Fair Value 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
At 1 July 2015	204,327	(4,227)	200,100	5,066	39	1,631	57,818	264,654	46,390	311,044
Total comprehensive income for the period										
Profit for the period	-	-	-	-	-	-	1,936	1,936	1,335	3,271
Other comprehensive income										
Foreign currency translation differences - foreign operations	-	-	-	-	-	866	-	866	996	1,862
Net change in fair value of available-for-sale financial assets	-	-	-	-	(7)	-	-	(7)	-	(7)
Total other comprehensive income	-	-	-	-	(7)	866	-	859	996	1,855
Total comprehensive income for the period	-	-	-	-	(7)	866	1,936	2,795	2,331	5,126
Transactions with owners, recognised directly in equity										
Contributions by and distributions to owners										
Dividends paid	-	-	-	-	-	-	-	-	(605)	(605)
Total contributions by and distributions to owners	-	-	-	-	-	-	-	-	(605)	(605)
Total transactions with owners	-	-	-	-	-	-	-	-	(605)	(605)
At 30 September 2015	204,327	(4,227)	200,100	5,066	32	2,497	59,754	267,449	48,116	315,565
At 1 July 2014	204,327	(4,227)	200,100	4,242	1,251	(3,208)	51,982	254,367	41,040	295,407
Total comprehensive income for the period										
Profit for the period	-	-	-	-	-	-	340	340	1,101	1,441
Other comprehensive income										
Foreign currency translation differences - foreign operations	-	-	-	-	-	2,711	-	2,711	984	3,695
Net change in fair value of available-for-sale financial assets	-	-	-	-	94	-	-	94	12	106
Total other comprehensive income	-	-	-	-	94	2,711	-	2,805	996	3,801
Total comprehensive income for the period	-	-	-	-	94	2,711	340	3,145	2,097	5,242
Transactions with owners, recognised directly in equity										
Contributions by and distributions to owners										
Dividends paid	-	-	-	-	-	-	-	-	(605)	(605)
Total contributions by and distributions to owners	-	-	-	-	-	-	-	-	(605)	(605)
Total transactions with owners	-	-	-	-	-	-	-	-	(605)	(605)
At 30 September 2014	204,327	(4,227)	200,100	4,242	1,345	(497)	52,322	257,512	42,532	300,044

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 July 2015	204,327	(4,227)	200,100	491	39	(3,258)	197,372
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	1,076	1,076
Other comprehensive income							
Net change in fair value of available-for-sale financial assets	-	-	-	-	(7)	-	(7)
Total comprehensive income for the period	-	-	-	-	(7)	1,076	1,069
At 30 September 2015	204,327	(4,227)	200,100	491	32	(2,182)	198,441
At 1 July 2014	204,327	(4,227)	200,100	491	979	(4,497)	197,073
Total comprehensive income for the period							
Loss for the period	-	-	-	-	-	(653)	(653)
Other comprehensive income							
Net change in fair value of available-for-sale financial assets	-	-	-	-	73	-	73
Total comprehensive income for the period	-	-	-	-	73	(653)	(580)
At 30 September 2014	204,327	(4,227)	200,100	491	1,052	(5,150)	196,493

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 also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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.

	2015	2014
	No. of shares	No. of shares
(i) Share Capital		
Group and Company		
In issue at 1 July and 30 September	570,996,746	570,996,746
(ii) Treasury shares		
Group and Company		
Balance as at the end of the period	17,581,000	17,581,000

The total number of issued shares excluding treasury shares as at the end of the current financial period was 553,415,746 (30 September 2014: 553,415,746).

(iii) HANWELL Executives' Share Option Scheme 2003

During the financial period ended 30 September 2015, 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 30 September 2015. 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	
	30/09/2015	31/12/2014
Total number of issued shares	<u>553,415,746</u>	<u>553,415,746</u>

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

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

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 Financial Reporting Standards (FRS) 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 2014.

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.

The adoption of the new and revised FRSs have no material impact to the financial statements of the Group and of the Company.

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 3rd Quarter Ended		GROUP Year to Date Ended	
	30/09/2015	30/09/2014	30/09/2015	30/09/2014
	cents	cents	cents	cents

Earnings per ordinary share of the group for the financial period based on net profit attributable to shareholders:

Basic earnings per share	0.35	0.06	1.33	0.28
Diluted earnings per share	0.35	0.06	1.32	0.27

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	
	30/09/2015	31/12/2014	30/09/2015	31/12/2014
	cents	cents	cents	cents
Net asset value per ordinary share based on issued share capital at the end of the period reported on	48.33	47.02	35.86	35.51

- 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 decreased by \$4.35 million in Q3 2015 over comparable period in Q3 2014 was mainly due to discontinuation of an agency in Singapore. In addition, there was unfavourable exchange rate movement in Malaysia Ringgit against SGD for subsidiaries in Malaysia.

The Consumer Business recorded a gain of \$0.42 million in Q3 2015 as compared to a loss of \$0.50 million in the same period last year.

Health Solutions

The contribution from Health Solutions business was not material to the Group's performance in 2015 .

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 Q3 2015 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.**

The Group will continue to focus on strengthening its presence in the highly competitive FMCG market and sought for new agencies to enlarge the Group's range of products coverage.

The Group's packaging business expects the business environment in China to remain challenging. The plants will continue to manage their operating costs to stay competitive.

- 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
6 November 2015