

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 2nd Quarter Ended 30 June			GROUP Year to Date Ended 30 June		
	2014 S\$'000	2013 S\$'000	+ /(-) %	2014 S\$'000	2013 S\$'000	+ /(-) %
Revenue	106,145	100,825	5.3	207,601	194,552	6.7
Cost of sales	(84,235)	(79,973)	5.3	(164,589)	(154,210)	6.7
Gross profit	21,910	20,852	5.1	43,012	40,342	6.6
Other income	712	(154)	n.m.	1,818	982	85.1
Distribution expenses	(10,988)	(10,876)	1.0	(21,698)	(21,856)	(0.7)
Administrative expenses	(7,566)	(7,096)	6.6	(14,995)	(13,886)	8.0
Other (expenses)/income	(265)	311	n.m.	(805)	(223)	261.0
Results from operating activities	3,803	3,037	25.2	7,332	5,359	36.8
Net finance costs	(641)	(911)	(29.6)	(1,945)	(1,844)	5.5
Share of loss of associates (net of tax)	-	(334)	n.m.	-	(459)	n.m.
Profit before tax	3,162	1,792	76.5	5,387	3,056	76.3
Tax expense	(1,178)	(1,427)	(17.4)	(2,226)	(2,398)	(7.2)
Profit for the period	1,984	365	443.6	3,161	658	380.4
Attributable to:						
Owners of the Company	931	(427)	n.m.	1,187	(449)	n.m.
Non-controlling interests	1,053	792	33.0	1,974	1,107	78.3
Profit for the period	1,984	365	443.6	3,161	658	380.4

n.m. - not meaningful

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

	GROUP		GROUP	
	2nd Quarter Ended		Year to Date Ended	
	30 June		30 June	
	2014	2013	2014	2013
	S\$'000	S\$'000	S\$'000	S\$'000
Profit before tax is stated after crediting:				
Interest income	414	233	826	452
Dividend income	1	1	1	1
Amortisation of deferred income	27	26	54	49
Gain on disposal of:				
- property, plant and equipment	75	12	106	17
- investment properties	14	-	14	-
and after charging:				
Allowance for doubtful debts and bad debts written off/(recovered)	254	(333)	782	124
Depreciation of property, plant and equipment	2,087	2,202	4,198	4,265
Exchange (gain)/loss	(129)	533	(531)	(149)
Net change in fair value of financial assets designated at fair value through profit or loss	444	541	1,402	1,141
(Write-back)/Allowance for stock obsolescence	(10)	24	(29)	(178)
Inventories written off	5	111	14	196
Property, plant and equipment written off	10	32	19	41
Property, plant and equipment impaired	-	-	-	2
Interest on borrowings	612	602	1,200	1,140
Taxation				
Current year tax	1,623	1,274	3,064	2,372
Under provision of tax in respect of prior years	114	175	107	139
Current year deferred tax	(546)	(21)	(921)	(83)
Over provision of deferred tax in respect of prior years	(13)	(1)	(24)	(30)
	<u>1,178</u>	<u>1,427</u>	<u>2,226</u>	<u>2,398</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	GROUP			GROUP		
	2nd Quarter Ended			Year to Date Ended		
	30 June			30 June		
	2014	2013	+ /(-)	2014	2013	+ /(-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Profit for the period	1,984	365	443.6	3,161	658	380.4
Other comprehensive income						
Items that are or may be reclassified subsequently to profit or loss:						
Foreign currency translation differences - foreign operations	(790)	3,999	n.m.	(4,862)	5,196	n.m.
Share of foreign currency translation differences of associates	-	(1,496)	n.m.	-	-	n.m.
Net change in fair value of available-for-sale financial assets	360	327	10.1	203	516	(60.7)
Other comprehensive income for the period, net of tax	<u>(430)</u>	<u>2,830</u>	n.m.	<u>(4,659)</u>	<u>5,712</u>	n.m.
Total comprehensive income for the period	<u>1,554</u>	<u>3,195</u>	(51.4)	<u>(1,498)</u>	<u>6,370</u>	n.m.
Attributable to:						
Owners of the Company	688	1,612	(57.3)	(2,152)	3,948	n.m.
Non-controlling interests	866	1,583	(45.3)	654	2,422	(73.0)
Total comprehensive income for the period	<u>1,554</u>	<u>3,195</u>	(51.4)	<u>(1,498)</u>	<u>6,370</u>	n.m.

n.m. - not meaningful

Brief Review of Financial Performance

The Group's revenue for the second quarter of 2014 (Q2 2014) was \$106.15 million, an increase of \$5.32 million (5.3%) as compared to the second quarter of 2013 (Q2 2013). For the six months ended 30 June 2014 (H1 2014), the revenue of the Group was \$207.60 million as compared to \$194.55 million for corresponding period last year (H1 2013). This was an improvement of \$13.05 million or 6.7%. The increase in revenue for both Q2 2014 and H1 2014 were contributed by the packaging business (Tat Seng group) and the Consumer Business.

With the increase in revenue in Q2 2014, the gross profit for the Group also increased from \$20.85 million in Q2 2013 to \$21.91 million in Q2 2014. Similarly, for the six months period, the gross profit improved from \$40.34 million for H1 2013 to \$43.01 million for H1 2014. The gross profit for both Q2 2014 and H1 2014 increased mainly due to higher margin achieved by the packaging business.

Other income of \$1.82 million in H1 2014 was higher than \$0.98 million in H1 2013 mainly due to increase in warehouse rental income and favourable exchange rate movement in H1 2014.

Distribution expenses increased by 1.0% (\$0.11 million) in Q2 2014 and decreased by 0.7% (\$0.16 million) in H1 2014. Administrative expenses increased by 6.6% (\$0.47 million) in Q2 2014 and 8.0% (\$1.11 million) in H1 2014 mainly attributable to higher staff costs and R&D expenses of the packaging business in China.

Other expenses of \$0.27 for Q2 2014 as compared to an income of \$0.31 million for Q2 2013 were related to an allowance made for doubtful debts compared to a write back in Q2 2013. For the six months ended 30 June 2014, other expenses of \$0.81 million were higher than \$0.22 million in H1 2013 mainly due to higher allowance made for doubtful debt in 2014.

The results from operating activities were \$3.80 million in Q2 2014 as compared to \$3.04 million in Q2 2013, an increase of 25.2%. The Group recorded an operating profit of \$7.33 million for H1 2014 as compared to \$5.36 million for H1 2013.

Net finance costs were \$0.64 million in Q2 2014 as compared to \$0.91 million in Q2 2013, mainly due to lower fair value loss of financial assets designated at fair value through profit or loss. However, the net finance costs for H1 2014 were higher than H1 2013 by \$0.10 million or 5.5% due to higher fair value loss of financial assets.

Share of loss after tax of associates was nil in Q2 2014 as compared to \$0.33 million in Q2 2013. For the six months ended 30 June 2014, share of loss after tax of associates recorded by the Group was nil as compared to \$0.46 million in H1 2013.

The Group achieved higher profit before tax of \$3.16 million in Q2 2014 as compared to \$1.79 million for the corresponding period last year. For H1 2014, the profit before tax was \$5.39 million as compared to \$3.06 million in H1 2013. Tax expense was \$1.18 million in Q2 2014 as compared to \$1.43 million in Q2 2013. For the first half of 2014, tax expense was \$2.23 million as compared to \$2.40 million over the same period last year.

The Group's net profit after tax for Q2 2014 was \$1.98 million as compared to \$0.37 million reported for Q2 2013. For H1 2014, the Group recorded net profit after tax of \$3.16 million in comparison to \$0.66 million over the same period last year. The net profit attributable to shareholders was \$0.93 million for Q2 2014 as compared to a net attributable loss of \$0.43 million reported for Q2 2013. The net profit attributable to shareholders was \$1.19 million in H1 2014 as compared to loss of \$0.45 million reported for H1 2013.

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

	Note	GROUP		COMPANY	
		30/06/2014 S\$'000	31/12/2013 S\$'000	30/06/2014 S\$'000	31/12/2013 S\$'000
Non-current assets					
Property, plant and equipment		71,255	74,425	10,949	11,627
Investment properties		988	1,096	-	-
Subsidiaries		-	-	41,870	45,661
Other financial assets		2,618	5,030	1,818	4,294
Intangible assets		1,095	1,139	-	-
Deferred tax assets		2,531	1,795	-	-
		<u>78,487</u>	<u>83,485</u>	<u>54,637</u>	<u>61,582</u>
Current assets					
Inventories		38,362	40,459	5,917	6,438
Trade and other receivables	1	142,479	147,363	79,971	80,311
Other financial assets		6,146	4,969	6,146	4,969
Cash and cash equivalents	2	120,351	118,861	69,865	68,428
Assets held for sale		45,240	47,046	-	-
		<u>352,578</u>	<u>358,698</u>	<u>161,899</u>	<u>160,146</u>
Total assets		<u>431,065</u>	<u>442,183</u>	<u>216,536</u>	<u>221,728</u>
Equity attributable to equity holders of the Company					
Share capital		200,100	200,002	200,100	200,002
Reserves		54,267	56,434	(3,027)	(842)
		<u>254,367</u>	<u>256,436</u>	<u>197,073</u>	<u>199,160</u>
Non-controlling interests		41,040	40,953	-	-
Total equity		<u>295,407</u>	<u>297,389</u>	<u>197,073</u>	<u>199,160</u>
Non-current liabilities					
Loans and borrowings	3	2,585	2,494	-	-
Deferred income		1,079	1,175	-	-
Deferred tax liabilities		1,868	2,071	-	-
		<u>5,532</u>	<u>5,740</u>	<u>-</u>	<u>-</u>
Current liabilities					
Trade and other payables	4	91,667	99,960	19,463	22,568
Loans and borrowings	3	36,653	37,173	-	-
Deferred income		107	110	-	-
Current tax payable		1,699	1,811	-	-
		<u>130,126</u>	<u>139,054</u>	<u>19,463</u>	<u>22,568</u>
Total liabilities		<u>135,658</u>	<u>144,794</u>	<u>19,463</u>	<u>22,568</u>
Total equity and liabilities		<u>431,065</u>	<u>442,183</u>	<u>216,536</u>	<u>221,728</u>

Note:

- The decrease of \$4.88 million in trade and other receivables was mainly due to the maturity of the bill receivables and weakening of RMB against SGD for the receivables of the China subsidiaries from the Packaging business .
- Please refer to the consolidated statement of cash flow below for details on the increase of \$1.49 million in cash and cash equivalents.
- Total loans and borrowings decreased by \$0.43 million was mainly due to lower usage of bills payable by the packaging subsidiaries in China.
- The decrease of \$8.29 million in trade and other payables was mainly due to the maturity of the bills payable from the Packaging business and the realisation of accrued expenses.

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

	As at	
	30/06/2014	31/12/2013
	S\$'000	S\$'000
Amount repayable in one year or less, or on demand		
- secured	22,996	17,751
- unsecured	13,657	19,422
	<u>36,653</u>	<u>37,173</u>
Amount repayable after one year		
- secured	2,585	2,494
	<u>2,585</u>	<u>2,494</u>
Total	<u>39,238</u>	<u>39,667</u>

Details of any collateral :

The total secured borrowings of \$25.58 million as at 30 June 2014 include:

(a) Bank loans and bill payables of \$22.84 million, secured by the leasehold land, certain leasehold buildings and certain plant and machinery held by the packaging subsidiaries with carrying amount of approximately \$30.38 million, cash and bank balances of \$1.68 million and Trade and bills receivables of \$9.19 million.

(b) Bank overdraft of \$2.74 million utilised by a subsidiary, secured by fixed deposits of \$2.87 million and a standby letter of credit of \$2.75 million from a bank.

- 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	
		2nd Quarter Ended 30 June	
		2014	2013
		S\$'000	S\$'000
Operating activities			
Profit for the period		1,984	365
Adjustments for:			
Tax expense		1,178	1,427
Depreciation of property, plant and equipment		2,087	2,202
Gain on disposal of:			
- property plant and equipment		(75)	(12)
- investment properties		(14)	-
Reversal of impairment loss on amounts due from an associate		-	(141)
Property, plant and equipment written off		10	32
Amortisation of deferred income		(27)	(26)
Unrealised exchange (gain)/loss		(73)	748
Net finance costs		641	911
Share of losses of associates (net of tax)		-	334
Operating profit before working capital changes		5,711	5,840
Changes in working capital:			
Inventories	1	2,082	249
Trade and other receivables	2	(1,736)	(11,441)
Trade and other payables	3	149	(7,362)
Cash generated from/(used in) operations		6,206	(12,714)
Tax paid		(1,586)	(1,193)
Net cash from/(used in) operating activities		4,620	(13,907)
Investing activities			
Interest received		206	245
Dividend received		-	1
Investment in an associate		-	(4,024)
Proceeds from sale of:			
- property, plant and equipment		93	31
- investment properties		119	-
Purchase of property, plant and equipment		(624)	90
Net cash used in investing activities		(206)	(3,657)
Financing activities			
Interest paid		(743)	(502)
Dividends paid		(567)	-
Payment of finance lease liabilities		7	(689)
Decrease/(Increase) in pledged deposits		1,970	(1,622)
Proceeds from borrowings	4	18,884	21,735
Repayment of borrowings	4	(23,529)	(13,583)
Repurchase of own shares		-	(773)
Net cash (used in)/from financing activities		(3,978)	4,566
Net increase/(decrease) in cash and cash equivalents		436	(12,998)
Cash and cash equivalents at beginning of the period		112,607	118,949
Effect of exchange rate fluctuations on cash held		16	(433)
Cash and cash equivalents at end of the period		113,059	105,518
Comprising:			
Cash at bank and in hand		43,162	68,065
Fixed deposits with banks		77,189	46,434
		120,351	114,499
Bank overdrafts		(2,738)	(2,810)
Deposits pledged		(4,554)	(6,171)
		113,059	105,518

Note:

- 1 The cash inflow of \$1.83 million was mainly due to decrease in inventories for the comparative period of last year.
- 2 Please refer to note 1 in consolidated statement of financial position.
- 3 Please refer to note 4 in consolidated statement of financial position.
- 4 Please refer to note 3 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 April 2014	204,327	(4,227)	200,100	4,244	931	(2,645)	51,046	253,676	40,741	294,417
Total comprehensive income for the period										
Profit for the period	-	-	-	-	-	-	931	931	1,053	1,984
Other comprehensive income										
Foreign currency translation differences - foreign operations	-	-	-	-	-	(563)	-	(563)	(227)	(790)
Net change in fair value of available-for-sale financial assets	-	-	-	-	320	-	-	320	40	360
Total comprehensive income for the period	-	-	-	-	320	(563)	931	688	866	1,554
Transactions with owners, recognised directly in equity										
Contributions by and distributions to owners										
Dividends paid	-	-	-	-	-	-	-	-	(567)	(567)
Share-based payment transactions	-	-	-	(2)	-	-	2	-	-	-
Unclaimed dividend reversed	-	-	-	-	-	-	3	3	-	3
Total contributions by and distributions to owners	-	-	-	(2)	-	-	5	3	(567)	(564)
Total transactions with owners	-	-	-	(2)	-	-	5	3	(567)	(564)
At 30 June 2014	204,327	(4,227)	200,100	4,242	1,251	(3,208)	51,982	254,367	41,040	295,407
At 1 April 2013	203,987	(3,018)	200,969	3,661	688	(2,339)	44,729	247,708	35,617	283,325
Total comprehensive income for the period										
Profit for the period	-	-	-	-	-	-	(427)	(427)	792	365
Other comprehensive income										
Foreign currency translation differences - foreign operations	-	-	-	-	-	3,245	-	3,245	754	3,999
Share of foreign currency translation differences of associates	-	-	-	-	-	(1,496)	-	(1,496)	-	(1,496)
Net change in fair value of available-for-sale financial assets	-	-	-	-	290	-	-	290	37	327
Total comprehensive income for the period	-	-	-	-	290	1,749	(427)	1,612	1,583	3,195
Transactions with owners, recognised directly in equity										
Contributions by and distributions to owners										
Repurchase of own shares	-	(773)	(773)	-	-	-	-	(773)	-	(773)
Total contributions by and distributions to owners	-	(773)	(773)	-	-	-	-	(773)	-	(773)
Total transactions with owners	-	(773)	(773)	-	-	-	-	(773)	-	(773)
At 30 June 2013	203,987	(3,791)	200,196	3,661	978	(590)	44,302	248,547	37,200	285,747

Company	Issued Capital S\$'000	Treasury Shares S\$'000	Share Capital S\$'000	Other Reserves S\$'000	Fair Value Reserve S\$'000	Retained Earnings S\$'000	Total Equity S\$'000
At 1 April 2014	204,327	(4,227)	200,100	493	731	(4,154)	197,170
Total comprehensive income for the period							
Loss for the period	-	-	-	-	-	(345)	(345)
Other comprehensive income							
Net change in fair value of available-for-sale financial assets	-	-	-	-	248	-	248
Total comprehensive income for the period	-	-	-	-	248	(345)	(97)
Transactions with owners, recognised directly in equity							
Contributions by and distributions to owners							
Share-based payment transactions	-	-	-	(2)	-	2	-
Total transactions with owners	-	-	-	(2)	-	2	-
At 30 June 2014	204,327	(4,227)	200,100	491	979	(4,497)	197,073
At 1 April 2013	203,987	(3,018)	200,969	511	543	(3,955)	198,068
Total comprehensive income for the period							
Loss for the period	-	-	-	-	-	(1,758)	(1,758)
Other comprehensive income							
Net change in fair value of available-for-sale financial assets	-	-	-	-	225	-	225
Total comprehensive income for the period	-	-	-	-	225	(1,758)	(1,533)
Transactions with owners, recognised directly in equity							
Contributions by and distributions to owners							
Repurchase of own shares	-	(773)	(773)	-	-	-	(773)
Total transactions with owners	-	(773)	(773)	-	-	-	(773)
At 30 June 2013	203,987	(3,791)	200,196	511	768	(5,713)	195,762

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.

Group and Company	As at 30/06/2014		As at 30/06/2013	
	Number of Treasury Shares ('000)	Treasury Shares (S\$'000)	Number of Treasury Shares ('000)	Treasury Shares (S\$'000)
Balance as at the end of the period	17,581	(4,227)	16,092	(3,791)

The total number of issued shares excluding treasury shares as at the end of the current financial period was 553,415,746 (30 June 2013: 553,304,746).

(a) HANWELL Executives' Share Option Scheme 2003

During the financial period ended Q2 2014, there was no new issuance 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 June 2014, following the cancellation of 50,000 options during the period. 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.

	30/06/2014	As at 31/12/2013
Total number of issued shares	<u>553,415,746</u>	<u>552,915,746</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.

The Group has applied the same accounting policies and computation methods used in the preparation of the financial statements for the current reporting period compared with the audited financial statements as at 31 December 2013, except for the adoption of the new and revised Financial Reporting Standards (FRS) which become effective for the financial year beginning on or after 1 January 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 accounting standards referred to in paragraph 4 did not give rise to any significant changes to the financial statements.

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		GROUP	
	2nd Quarter Ended		Year to Date Ended	
	30/06/2014	30/06/2013	30/06/2014	30/06/2013
	cents	cents	cents	cents

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

Based on the weighted average number of ordinary shares in issue	0.17	(0.08)	0.21	(0.08)
On a fully diluted basis	0.17	(0.08)	0.21	(0.08)

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	
	30/06/2014	31/12/2013	30/06/2014	31/12/2013
	cents	cents	cents	cents

Net asset value per ordinary share based on issued share capital at the end of the period reported on	45.96	46.38	35.61	36.02
---	-------	-------	-------	-------

- 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.

Comparatives on Performance by Business Segments

	Turnover		Turnover	
	2nd Quarter Ended		Year to Date Ended	
	2014	2013	2014	2013
	S\$'000	S\$'000	S\$'000	S\$'000
By Business Segments				
Consumer Essentials				
Consumer Business	47,561	46,671	96,262	94,970
Health Solutions	52	29	94	70
Strategic Investments				
Packaging	58,532	54,125	111,245	99,512
	<u>106,145</u>	<u>100,825</u>	<u>207,601</u>	<u>194,552</u>
By Geographical Locations				
Singapore	42,202	41,301	86,349	83,670
Malaysia	14,413	15,637	27,563	31,325
China	49,530	43,887	93,689	79,557
	<u>106,145</u>	<u>100,825</u>	<u>207,601</u>	<u>194,552</u>
	PBIT*		PBIT*	
	2nd Quarter Ended		Year to Date Ended	
	2014	2013	2014	2013
	S\$'000	S\$'000	S\$'000	S\$'000
By Business Segments				
Consumer Essentials				
Consumer Business	(203)	245	315	569
Health Solutions	(134)	(1,170)	(115)	(1,399)
Strategic Investments				
Packaging	4,179	3,846	7,596	5,866
Unallocated results	(39)	116	(464)	323
	<u>3,803</u>	<u>3,037</u>	<u>7,332</u>	<u>5,359</u>
By Geographical Locations				
Singapore	(817)	(2,724)	(1,458)	(4,070)
Malaysia	1,115	1,518	1,973	2,895
China	3,505	4,243	6,817	6,534
	<u>3,803</u>	<u>3,037</u>	<u>7,332</u>	<u>5,359</u>

* Profits before net finance costs, share of results of associates and tax expense

Consumer Business

Turnover increased by \$0.89 million or 1.9% in Q2 2014, from \$46.67 million in Q2 2013 to \$47.56 million in Q2 2014. Similarly, turnover in H1 2014 also increased by \$1.29 million (1.4%), from \$94.97 million in H1 2013 to \$96.26 million in H1 2014. The increase was attributable to higher turnover generated by the distribution business in Singapore, partially offset by lower turnover as a result of discontinuation of agency in Malaysia.

The Consumer Business recorded a slight loss before interest and tax of \$0.20 million in Q2 2014 as compared to a profit of \$0.25 million in Q2 2013. For H1 2014, PBIT was \$0.32 million as compared to \$0.57 million in H1 2013.

Health Solutions

The Health Solutions segment recorded a turnover of \$0.05 million in Q2 2014 as compared to \$0.03 million in Q2 2013, an increase of 79.3%. For the first half of the year 2014, the turnover of \$0.09 million was 34.3% higher than \$0.07 million recorded in H1 2013.

The healthcare division recorded a loss of \$0.13 million in Q2 2014 as compared to \$1.17 million loss in Q2 2013. A loss of \$0.12 million for the six months period ended 30 June 2014 was incurred as compared to \$1.40 million loss recorded in the first half of the year 2013. The higher loss in H1 2013 was mainly due to unfavourable exchange rate movement of the fixed deposit held in H1 2013.

Packaging

The Group's Packaging segment reported turnover of \$58.53 million in Q2 2014 as compared to \$54.13 million in Q2 2013, an increase of 8.1%. The same increasing trend was also observed for the first half of the year 2014 with turnover of \$111.25 million as compared to \$99.51 million for H1 2013, an increase of 11.8%. The improvement in the turnover was mainly contributed by the higher demand from customers of Hefei and Nantong plants in China.

The PBIT in Q2 2014 was \$4.18 million as compared to \$3.85 recorded in Q2 2013, an increase of 8.7%. Similarly, for the half year ended 30 June 2014, the packaging group recorded an increase in its PBIT by 29.5%, from \$5.87 million in H1 2013 to \$7.60 million in H1 2014. The increase was mainly contributed by higher turnover and improved margin.

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 by expanding its range of home brand products while refreshing its existing house brands such as Sobe. New agencies are also being sought to enlarge the Group's range of products coverage. The Group will also continue to make inroads with its new retail concept stores to intensify its distribution coverage.

The Group's packaging business in China will continue to face challenges of rising business costs and intense market competition. It will adopt appropriate measures to drive down the costs and improve the efficiency of its China operations.

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.

BY ORDER OF THE BOARD

Dr Allan Yap
Chairman
08 August 2014