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Hanwell Holdings FY 2021 revenue rises 13.1% to \$533.3 million

Key Highlights

- FY 2021 revenue increase attributable mainly to higher revenue from its Packaging Business
- Gross profit rose 3.3% to S\$113.2 million for FY 2021 while net profit decreased 9.7% to S\$29.9 million
- Proposing a final dividend of SGD 0.0050 per ordinary share

Financial Highlights	FY 2021 (S\$ million)	FY 2020 (S\$ million)	Change +/(-) %
Revenue	533.3	471.4	13.1
Gross profit	113.2	109.6	3.3
Gross profit margin	21.2%	23.3%	-2.0ppts*
Other income	5.6	6.0	(7.3)
Net profit	29.9	33.1	(9.7)
Net attributable profit	19.6	22.2	(12.0)
Net attributable profit margin	3.7%	4.7%	-1.0 ppts*
EPS (cents)	3.54	4.02	(11.9)

*ppts denotes percentage points

SINGAPORE - 23 February 2022 - Hanwell Holdings Limited (“**Hanwell**” or the “**Company**” and together with its subsidiaries, the “**Group**”), a leading manufacturer and distributor of fast-moving consumer goods and essentials, today reported a net profit of S\$29.9 million for the 12 months ended 31 December 2021 (“**FY 2021**”), achieved on the back of Group revenue at S\$533.3 million, which increased 13.1% year-on-year (“**yoy**”) from S\$471.4 million in the previous financial year (“**FY 2020**”).

The revenue increase was driven by higher sales volume for its Packaging Business, in Singapore as well as the China market. The increase in selling price for its Singapore operations also contributed to the higher revenue, partially offset by lower revenue from its Singapore Consumer Business which had experienced higher demand for essential products like rice and paper products in FY 2020 due to Circuit Breaker.

Gross profit for FY 2021 increased by 3.3% yoy to S\$113.2 million. This is in line with the higher revenue achieved by the Packaging Business, partially offset by the higher cost of sales due to an increase in raw material prices.

Other income decreased by 7.3% yoy to S\$5.61 million due to a lower one-off government grant arising from Covid-19 which was offset by a gain on disposal of a subsidiary.

With an overall increase in operating expenses, the Group delivered a net profit attributable to shareholders of S\$19.6 million in FY 2021 compared to S\$22.2 million in FY 2020. Consequently, earnings per share for the period stood at 3.54 Singapore cents compared with 4.02 cents previously.

The Group has proposed a final, tax-exempt dividend of SGD 0.0050 per ordinary share. Together with an interim dividend of SGD 0.0025 per ordinary share paid in 1H2021, total dividends for FY2021 stood at SGD 0.0075 per ordinary share, which is 50% higher than the total dividends for FY2020.

On a half-year basis, the Group recorded a net profit of S\$16.0 million and a net profit attributable to shareholders of S\$10.6 million for the six months ended 31 December 2021 ("**2H 2021**"). This was achieved on the back of a revenue of S\$275.4 million for 2H 2021, which was 7.8% higher yoy than the revenue of S\$255.6 million for the same period in the previous year.

The Group's balance sheet strengthened during the year with a higher net asset position at S\$393.4 million. Cash and cash equivalents including bank balance pledged as security increased by S\$35.0 million, primarily due to net cash generated from operating activities amounting to S\$24.5 million.

Outlook

Consumer Business reported a drop of 1.4% in revenue as compared to same period last year. The drop was contributed by both the Singapore and Malaysia Consumer Business as there was a surge in demand for basic necessities during Circuit Breaker in FY 2020. Consumer sentiment is currently weary and consumers will be careful with their spending. The segment will explore opportunities to expand its distribution network and manage the above risk posed.

For Packaging Business, volatility in raw material prices, which remains at elevated levels, posed significant challenges to both the Singapore and China segments. In addition, inflationary pressure and rising labour costs will continue to compress operating margins. To mitigate these challenges, the Group will focus on our key strategies to raise production efficiency and increase sales volume profitably.

Financially, the Group is on a robust footing, with a positive net cash position and a strong balance sheet. We will continue to leverage on our strengths to grow our business and exercise caution when exploring business opportunities in the region for sustainable growth.

Mr Henry Chu, the Group's Chief Executive Officer said, "While uncertainties remain on the recovery trajectories of our key markets in Singapore, Malaysia and China, we remain hopeful that the pandemic situation in these markets will be well-controlled and economic activity will soon normalise. Meanwhile, we will continue to harness our existing strengths such as our brands, network and operational capabilities to drive business growth. Looking beyond the current economic hurdles, Hanwell has the potential to scale up and widen its business footprint further and we will continue to work hard towards unlocking its value for our shareholders."

Dr Sam Goi Seng Hui, Executive Chairman said, "I want to sincerely thank all the shareholders for their continued confidence in the business. Hanwell is at a pivotal juncture of its growth trajectory. We have put together a highly-experienced team with the requisite knowledge of the industry to accelerate the expansion of its business footprint. It already has an existing set of strong brand and operational assets as well as an extensive distribution network for healthy organic growth. However, we intend to spearhead its expansion further through actively pursuing opportunities such as mergers and acquisitions, joint ventures and strategic alliances. The company is ready and our team is geared up to take it forward."



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About Hanwell Holdings Limited

Established in 1974, Hanwell Holdings is a homegrown consumer essentials provider that manufactures, distributes and markets a diverse range of quality consumer products.

Some of its well-known household brands include Royal Umbrella rice, Golden Peony rice, Golden Circle Oil, Fortune Food, and Beutex. Its distribution reach covers all major supermarkets/hypermarkets, convenience stores, minimarts, e-commerce, food service, and commercial industries.

Leveraging on its experience and core competencies, the Group continues to focus on driving strategic investments and partnerships, innovative product development to grow new markets and continue to contribute positively to its community and stakeholders.

Founded as Provisions Suppliers Corporation, it changed its name to PSC Corporation Ltd in 2003, and underwent a rebranding in 2012 to become Hanwell Holdings.

For more information, please refer to: <http://hanwell.com.sg/>