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**Hanwell Holdings increases its net profit by 3.2% at
S\$ 13.9 million for 1H FY 2021**

Key Highlights

- Revenue increased by 19.5%, contributed by higher revenue from its Packaging Business
- The Group achieved a gross profit of S\$ 57.5 million, an increase of 13.7% against last year.
- The Group recorded a net profit of S\$ 13.9 million, a growth of 3.2% as compared to last year.

Financial Highlights	1H FY 2021 (S\$ million)	1H FY 2020 (S\$ million)	Change +/(-) %
Revenue	257.8	215.8	19.5
Gross profit	57.5	50.6	13.7
Gross profit margin	22.3%	23.4%	-1.1 ppts*
Other income	1.3	3.8	(65.9)
Net profit	13.9	13.5	3.2
Net profit margin	5.4%	6.3%	-0.9 ppts*
EPS (cents)	1.61	1.79	(10.1)

**ppts denotes percentage points*

Singapore, 12 August 2021 – Hanwell Holdings, a leading provider of consumer essentials, reported a net profit of S\$ 13.9 million for the 6 months ended 30 June 2021 (“1H FY 2021”).

The Group recorded revenue of S\$ 257.8 million for 1H FY 2021, a 19.5% year-on-year (yoy) increase from 1H FY 2020. This increase is due to higher sales volume for its Packaging Business, especially in the China market, with Suzhou, Nantong and Hefei posting double digit growth.

Consumer Business reported a drop of 5.6% in revenue as compared to the same period last year. This is mainly due to decreased revenue for Singapore’s Consumer



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Business as there was a demand surge for rice and paper products during the Circuit Breaker last year.

Gross profit increased by 13.7% yoy to S\$ 57.5 million. This is in line with higher revenue achieved by the Packaging Business, partially offset by higher cost of sales due to increase in raw material prices.

Other income decreased by 65.9% yoy to S\$ 1.3 million due to lower government grant and forex loss.

The Group delivered a net profit of S\$ 13.9 million for 1H 2021, a 3.2% yoy increase from S\$ 13.5 million last year.

Outlook

Global tightening of basic food supplies and disruptions to shipping have already driven up the cost of rice and other raw ingredients. This will potentially increase the costs for our business segments and place downward pressure on the margins of the Group.

The operating environment for the Group's businesses remain volatile as the countries continue to see new waves of the Covid-19 infections. The Group maintains vigilant towards the health and safety of our team and have in place preventive measures to ensure minimal disruptions to our supply chain and business continuity. It is expected that demand for consumer essentials is likely to taper in the second half of 2021.

On future plans for the Group, Mr. Henry Chu, the Group's Chief Executive Officer added, "While business outlook remains uncertain, we will continuously identify new opportunities to drive business growth through strategic partnerships and investments, product innovation, and work towards achieving new standards of marketing and operational excellence. We are working on developing new product extensions and categories, as well as expanding our distribution network to more locations."



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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 Beautex. 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.

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

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