

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		
	2013 S\$'000	2012 S\$'000	+ /(-) %	2013 S\$'000	2012 S\$'000	+ /(-) %
Revenue	100,825	97,441	3.5	194,552	193,351	0.6
Cost of sales	(79,973)	(78,695)	1.6	(154,210)	(155,405)	(0.8)
Gross profit	20,852	18,746	11.2	40,342	37,946	6.3
Other income	(154)	873	n.m.	982	2,000	(50.9)
Distribution expenses	(10,876)	(10,759)	1.1	(21,856)	(21,314)	2.5
Administrative expenses	(7,096)	(7,157)	(0.9)	(13,886)	(15,082)	(7.9)
Other expenses	311	(1,260)	n.m.	(223)	(2,272)	(90.2)
Results from operating activities	3,037	443	585.6	5,359	1,278	319.3
Net finance (costs)/income	(911)	(608)	49.8	(1,844)	1,108	n.m.
Share of loss of associates (net of tax)	(334)	(2,333)	(85.7)	(459)	(3,184)	(85.6)
Profit/(loss)before tax	1,792	(2,498)	n.m.	3,056	(798)	n.m.
Tax expense	(1,427)	(162)	780.9	(2,398)	(750)	219.7
Profit/(loss)for the period	365	(2,660)	n.m.	658	(1,548)	n.m.
Attributable to:						
Owners of the Company	(427)	(3,852)	(88.9)	(449)	(2,999)	(85.0)
Non-controlling interests	792	1,192	(33.6)	1,107	1,451	(23.7)
Profit/(loss) for the period	365	(2,660)	n.m.	658	(1,548)	n.m.

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	
	2013	2012	2013	2012
	S\$'000	S\$'000	S\$'000	S\$'000
Profit/(loss) before tax is stated after crediting:				
Interest income	233	105	452	614
Dividend income	1	1	1	1
Amortisation of deferred income	26	3	49	5
Net change in fair value of financial assets designated at fair value through profit or loss	(541)	(198)	(1,141)	721
Gain/(loss) on disposal of:				
- property, plant and equipment	12	(53)	17	(50)
- financial assets	-	-	-	668
Gain on reclassification of investment in associates to available-for-sale investment	-	-	-	328
and after charging:				
Allowance for doubtful debts and bad debts (recovered)/written off	(333)	1,235	124	2,163
Depreciation and amortisation	2,202	2,008	4,265	4,085
Exchange loss/(gain)	533	(275)	(149)	(231)
Inventories written off	111	244	196	396
Property, plant and equipment impaired/written off	32	13	43	51
Interest on borrowings	1,143	506	2,296	896
Taxation				
Current year tax	1,274	963	2,372	1,939
Under/(over) provision of tax in respect of prior years	175	(595)	139	(654)
Current year deferred tax	(21)	(252)	(83)	(345)
(Over)/Under provision of deferred tax in respect of prior years	(1)	22	(30)	(214)
Changes in tax rate	-	24	-	24
	<u>1,427</u>	<u>162</u>	<u>2,398</u>	<u>750</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	GROUP			GROUP		
	2nd Quarter Ended			Year to Date Ended		
	30 June			30 June		
	2013	2012	+ /(-)	2013	2012	+ /(-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Profit/(Loss) for the period	365	(2,660)	n.m.	658	(1,548)	n.m.
<u>Other comprehensive income</u>						
Items that are or may be reclassified subsequently to profit or loss:						
Foreign currency translation differences - foreign operations	3,999	(641)	n.m.	5,196	(2,643)	n.m.
Share of foreign currency translation differences of associates	(1,496)	127	n.m.	-	(837)	n.m.
Foreign currency translation differences of associates reclassified to profit or loss on loss of significant influence	-	-	n.m.	-	(2,075)	n.m.
Net change in fair value of available-for-sale financial assets	327	(142)	n.m.	516	202	155.4
Share of other reserve movement of an associate	-	39	n.m.	-	39	n.m.
Total items that are or may be reclassified subsequently to profit or loss	<u>2,830</u>	<u>(617)</u>	n.m.	<u>5,712</u>	<u>(5,314)</u>	n.m.
Other comprehensive income for the period, net of income tax	<u>2,830</u>	<u>(617)</u>	n.m.	<u>5,712</u>	<u>(5,314)</u>	n.m.
Total comprehensive income for the period	<u>3,195</u>	<u>(3,277)</u>	n.m.	<u>6,370</u>	<u>(6,862)</u>	n.m.
Attributable to:						
Owners of the Company	1,612	(3,811)	n.m.	3,948	(7,796)	n.m.
Non-controlling interests	1,583	534	196.4	2,422	934	159.3
Total comprehensive income for the period	<u>3,195</u>	<u>(3,277)</u>	n.m.	<u>6,370</u>	<u>(6,862)</u>	n.m.

n.m. - not meaningful

Brief Review of Financial Performance

The Group recorded a turnover of \$100.83 million in the second quarter of 2013 (Q2 2013). This was \$3.39 million (3.5%) higher than the turnover of \$97.44 million accounted in the second quarter of 2012 (Q2 2012). For the six months to June 2013 (H1 2013), the turnover of the Group was marginally higher at \$194.55 million as compared to \$193.35 million for the first six months in 2012 (H1 2012). This reflected an improvement of \$1.20 million or 0.6%. The increase in Q2 2013 and H1 2013 was contributed by the Group's Strategic Investment in the packaging business (Tat Seng group) partially offset by lower turnover generated by the distribution segment of Consumer Business.

With the increase in turnover in Q2 2013, the gross profit for the Group also increased from \$18.75 million in Q2 2012 to \$20.85 million in Q2 2013. Similarly, for the six months period, the gross profit improved from \$37.95 million for H1 2012 to \$40.34 million for H1 2013. The gross profit margins for both Q2 2013 and H1 2013 increased, mainly due to better margins achieved by the packaging business.

Other income of \$0.98 million in H1 2013 was lower than \$2.00 million in H1 2012 mainly due to absence of warehouse rental income and gain on reclassification of investment in associates to available-for-sale investment in 2013.

Distribution expenses increased by 1.1% (\$0.12 million) in Q2 2013 and 2.5% (\$0.54 million) in H1 2013. Administrative expenses decreased by 0.9% (\$0.06 million) in Q2 2013 and 7.9% (\$1.19 million) in H1 2013 mainly due to the contractual compensation paid to the employees who left in March 2012.

Other expenses for Q2 2013 was related to write back of allowance for doubtful debts compared to an allowance made in Q2 2012. For the six months to June 2013 (H1 2013), other expenses of \$0.22 million were lower than \$2.27 million in H1 2012 mainly due to lower provision made for doubtful debt in 2013.

As a consequence, the results from operating activities were \$3.04 million in Q2 2013 as compared to \$0.44 million in Q2 2012, an increase of 585.6%. For the first half year of 2013, the Group recorded an operating profit of \$5.36 million as compared to \$1.28 million for H1 2012.

Net finance costs was \$0.91 million in Q2 2013 as compared to \$0.61 million in Q2 2012, mainly due to fair value loss of financial assets designated at fair value through profit or loss. As a result, the operating profit after net finance costs for Q2 2013 was a profit of \$2.13 million as compared to \$0.17 million loss recorded for Q2 2012. For the six months period, the operating profit after net finance (costs)/income of the Group improved from \$2.39 million in H1 2012 to \$3.52 million in H1 2013.

Share of loss after tax of associates amounted to \$0.33 million in Q2 2013 as compared to \$2.33 million in Q2 2012. For the six months period, share of loss after tax of associates recorded by the Group was \$0.46 million as compared to \$3.18 million in H1 2012. The lower losses from associates as compared to the corresponding periods last year was mainly due to the impairment loss made on associates amounting to \$3.26 million and also because the Group ceased recognition of its share of results from Australia associates due to the loss of significant influence which resulted in the reclassification of the investment to available-for-sale financial assets in Q1 2012.

Profit before tax was \$1.79 million in Q2 2013 as compared to loss before tax of \$2.50 million recorded for the corresponding period last year. For the six months to June 2013, the profit before tax was \$3.06 million as compared to loss before tax of \$0.80 million recorded in H1 2012. Tax expense was \$1.43 million in Q2 2013 as compared to \$0.16 million in Q2 2012. For the first half of 2013, tax expense was \$2.40 million as compared to \$0.75 million over the same period last year.

The Group's net profit for Q2 2013 was \$0.37 million as compared to the net loss of \$2.66 million reported for Q2 2012. For H1 2013, the Group recorded net profit of \$0.66 million in comparison to a net loss of \$1.55 million over the same period last year. The net loss attributable to shareholders was \$0.43 million for Q2 2013 as compared to \$3.85 million reported for Q2 2012. On a six-monthly basis, the net loss attributable to shareholders was \$0.45 million in H1 2013 in comparison to \$3.00 million in H1 2012.

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

	Note	GROUP		COMPANY	
		30/06/2013 S\$'000	31/12/2012 S\$'000	30/06/2013 S\$'000	31/12/2012 S\$'000
Non-current assets					
Property, plant and equipment	1	73,019	70,111	12,296	13,050
Investment properties		1,149	1,163	-	-
Subsidiaries		-	-	50,347	50,347
Associates	2	46,646	44,929	-	-
Other financial assets		4,925	4,319	4,221	3,775
Intangible assets		1,122	1,070	-	-
Deferred tax assets		887	892	-	-
		<u>127,748</u>	<u>122,484</u>	<u>66,864</u>	<u>67,172</u>
Current assets					
Inventories	3	37,580	33,889	7,357	4,067
Trade and other receivables	4	136,099	126,312	88,079	88,488
Other financial assets		2,522	3,663	2,522	3,663
Cash and cash equivalents	5	114,499	110,398	51,630	57,074
Assets held for sale	6	-	11,520	-	-
		<u>290,700</u>	<u>285,782</u>	<u>149,588</u>	<u>153,292</u>
Total assets		<u>418,448</u>	<u>408,266</u>	<u>216,452</u>	<u>220,464</u>
Equity attributable to equity holders of the Company					
Share capital		200,196	200,969	200,196	200,969
Reserves		48,351	44,403	(4,434)	(1,192)
		<u>248,547</u>	<u>245,372</u>	<u>195,762</u>	<u>199,777</u>
Non-controlling interests		37,200	34,778	-	-
Total equity		<u>285,747</u>	<u>280,150</u>	<u>195,762</u>	<u>199,777</u>
Non-current liabilities					
Loans and borrowings	7	2,846	3,591	-	-
Deferred income		1,213	1,212	-	-
Deferred tax liabilities		2,633	2,730	397	397
		<u>6,692</u>	<u>7,533</u>	<u>397</u>	<u>397</u>
Current liabilities					
Trade and other payables	8	80,829	82,021	20,293	20,290
Loans and borrowings	7	43,159	36,673	-	-
Deferred income		109	106	-	-
Current tax payable		1,912	1,783	-	-
		<u>126,009</u>	<u>120,583</u>	<u>20,293</u>	<u>20,290</u>
Total liabilities		<u>132,701</u>	<u>128,116</u>	<u>20,690</u>	<u>20,687</u>
Total equity and liabilities		<u>418,448</u>	<u>408,266</u>	<u>216,452</u>	<u>220,464</u>

Note:

- The increase of \$2.9 million was mainly due to additional fixed assets acquired by the Group's strategic investment in the packaging business in Tianjin plant and also strengthening of RMB against SGD offset by depreciation.
- The increase of \$1.72 million in Associates was mainly due to the effects of translation of the investment in associate.
- Inventories increased by \$3.70 million was mainly due to higher stock pile of rice in anticipation of increase in sales due to promotion.
- The increase of \$9.79 million in trade and other receivables was mainly due to an increase in trade receivables attributable to higher turnover from the Packaging segment with longer credit term.
- Please refer to the consolidated statement of cash flow below for details on the increase of \$4.10 million in cash and cash equivalents.
- The assets held for sale were disposed of in Q1 2013.
- Total loans and borrowings increased by \$5.74 million was mainly due to higher usage of bills payable by the packaging subsidiaries in China.
- Trade and other payables decreased by \$1.19 million was mainly due to decrease of other payable of a subsidiary in China.

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

	As at	
	30/06/2013	31/12/2012
	S\$'000	S\$'000
Amount repayable in one year or less, or on demand		
- secured	26,732	20,956
- unsecured	16,427	15,717
	<u>43,159</u>	<u>36,673</u>
Amount repayable after one year		
- secured	2,846	3,591
	<u>2,846</u>	<u>3,591</u>
Total	<u>46,005</u>	<u>40,264</u>

Details of any collateral :

The total secured borrowings of \$29.58 million as at 30 June 2013 include:

- (a) Bank loans of \$11.16 million, secured by certain leasehold buildings held by the packaging subsidiary in China with carrying amount of approximately \$20.25 million.
- (b) Bills payable of \$13.61 million, secured by the securities in (a) above and certain plant and machinery held by the subsidiaries with carrying amount of approximately \$4.09 million and bank deposits of \$3.30 million.
- (c) Bank overdraft of \$2.81 million utilised by a subsidiary, secured by a fixed deposit of \$0.12 million and a standby letter of credit of \$2.75 million from a bank which is secured by a fixed deposit placed by a subsidiary of the Company.
- (d) Outstanding obligations under finance lease of \$2.00 million, secured by property, plant and equipment with carrying amount of \$1.50 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	
		2nd Quarter Ended	
		30 June	
		2013	2012
		S\$'000	S\$'000
Operating activities			
Profit/(loss) for the period		365	(2,660)
Adjustments for:			
Tax expense		1,427	162
Depreciation		2,202	2,008
(Gain)/Loss on disposal of property plant and equipment		(12)	53
Reversal of impairment loss on amounts due from an associate		(141)	-
Property, plant and equipment impaired/written off		32	13
Amortisation of deferred income		(26)	(3)
Unrealised exchange gain on financial assets		(216)	(381)
Unrealised exchange loss on fixed deposit		964	-
Net finance costs		911	608
Share of losses of associates (net of tax)		334	2,333
Operating profit before working capital changes		5,840	2,133
Changes in working capital:			
Inventories	1	249	14,720
Trade and other receivables	2	(11,441)	(1,756)
Trade and other payables	3	(7,362)	(2,354)
Tax paid		(1,193)	(502)
Net cash (used in)/from operating activities		(13,907)	12,241
Investing activities			
Interest received		245	66
Deposit paid for property interest		-	(862)
Dividend received		1	1
Investment in an associate	4	(4,024)	-
Proceeds from sale of property, plant and equipment		31	477
Purchase of property, plant and equipment		90	(4,497)
Net cash used in investing activities		(3,657)	(4,815)
Financing activities			
Interest paid		(502)	(703)
Dividends paid		-	(5,595)
Payment of finance lease liabilities		(689)	(142)
Increase in pledged deposits		(1,622)	(1,838)
Proceeds from borrowings	5	21,735	18,573
Repayment of borrowings	5	(13,583)	(14,715)
Proceeds from exercise of share options		-	204
Capital contribution into a subsidiary by non-controlling shareholder		-	2,970
Repurchase of own shares		(773)	(438)
Net cash from/(used in) financing activities		4,566	(1,684)
Net (decrease)/increase in cash and cash equivalents		(12,998)	5,742
Cash and cash equivalents at beginning of the period		118,949	54,190
Effect of exchange rate fluctuations on cash held		(433)	62
Cash and cash equivalents at end of the period		105,518	59,994
Comprising:			
Cash at bank and in hand		68,065	40,506
Fixed deposits with banks		46,434	28,809
		114,499	69,315
Bank overdrafts		(2,810)	(1,901)
Deposits pledged		(6,171)	(7,420)
		105,518	59,994

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 The cash outflow of \$7.36 million was mainly due to settlement of other payables.
- 4 The increase in cash outflow was due to balance payment of the investment in an associate in China acquired in 2012.
- 5 Please refer to note 7 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 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

	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 2012	203,742	(2,580)	201,162	3,915	400	(6,187)	78,571	277,861	32,038	309,899
Total comprehensive income for the period										
Profit for the period	-	-	-	-	-	-	(3,852)	(3,852)	1,192	(2,660)
Other comprehensive income										
Foreign currency translation differences - foreign operations	-	-	-	-	-	38	-	38	(679)	(641)
Share of foreign currency translation differences of associates	-	-	-	-	-	127	-	127	-	127
Net change in fair value of available-for-sale financial assets	-	-	-	-	(163)	-	-	(163)	21	(142)
Share of other reserve movement of an associate	-	-	-	14	25	-	-	39	-	39
Total comprehensive income for the period	-	-	-	14	(138)	165	(3,852)	(3,811)	534	(3,277)
Transactions with owners, recognised directly in equity										
Contributions by and distributions to owners										
Dividends paid	-	-	-	-	-	-	(5,556)	(5,556)	(39)	(5,595)
Share-based payment transactions	245	-	245	(304)	-	-	263	204	-	204
Repurchase of own shares	-	(438)	(438)	-	-	-	-	(438)	-	(438)
Total contributions by and distributions to owners	245	(438)	(193)	(304)	-	-	(5,293)	(5,790)	(39)	(5,829)
Changes in ownership interests in subsidiaries										
Capital contribution by non-controlling shareholder	-	-	-	-	-	-	-	-	2,970	2,970
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	2,970	2,970
Total transactions with owners	245	(438)	(193)	(304)	-	-	(5,293)	(5,790)	2,931	(2,859)
At 30 June 2012	203,987	(3,018)	200,969	3,625	262	(6,022)	69,426	268,260	35,503	303,763

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 2013	203,987	(3,018)	200,969	511	543	(3,955)	198,068
Total comprehensive income for the period							
Profit 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)
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
At 1 April 2012	203,742	(2,580)	201,162	814	280	11,344	213,600
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	(140)	(140)
Other comprehensive income							
Net change in fair value of available-for-sale financial assets	-	-	-	-	127	-	127
Total comprehensive income for the period	-	-	-	-	127	(140)	(13)
Transactions with owners, recognised directly in equity							
Contributions by and distributions to owners							
Dividends paid	-	-	-	-	-	(5,556)	(5,556)
Share-based payment transactions	245	-	245	(304)	-	263	204
Repurchase of own shares	-	(438)	(438)	-	-	-	(438)
Total transactions with owners	245	(438)	(193)	(304)	-	(5,293)	(5,790)
At 30 June 2012	203,987	(3,018)	200,969	510	407	5,911	207,797

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 30/06/2013		As at 30/06/2012	
	Number of Treasury Shares	Treasury Shares	Number of Treasury Shares	Treasury Shares
	('000)	(\$'000)	('000)	(\$'000)
Balance as at the end of the period	16,092	(3,791)	13,568	(3,018)

The total number of issued shares excluding treasury shares as at the end of the current financial period was 553,304,746 (30 June 2012: 555,828,746).

(a) HANWELL Executives' Share Option Scheme 2003

During the financial period ended Q2 2013, 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 11,800,000 as at 30 June 2013.

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	
	30/06/2013	31/12/2012
Total number of issued shares	<u>553,304,746</u>	<u>555,828,746</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 2012, 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 2013.

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	
	30/06/2013	30/06/2012	30/06/2013	30/06/2012
	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	(0.08)	(0.69)	(0.08)	(0.54)
On a fully diluted basis	(0.08)	(0.69)	(0.08)	(0.53)

- 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	
	30/06/2013	31/12/2012	30/06/2013	31/12/2012
	cents	cents	cents	cents
Net asset value per ordinary share based on issued share capital at the end of the period reported on	44.92	44.15	35.38	35.94

- 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	
	2013	2012	2013	2012
	S\$'000	S\$'000	S\$'000	S\$'000
By Business Segments				
Consumer Essentials				
Consumer Business	46,671	49,678	94,970	105,269
Health Solutions	29	102	70	185
Strategic Investments				
Packaging	54,125	47,661	99,512	87,897
	<u>100,825</u>	<u>97,441</u>	<u>194,552</u>	<u>193,351</u>
By Geographical Locations				
Singapore	41,301	45,220	83,670	94,457
Malaysia	15,637	15,070	31,325	31,360
China	43,887	37,151	79,557	67,534
	<u>100,825</u>	<u>97,441</u>	<u>194,552</u>	<u>193,351</u>

	PBIT*		PBIT*	
	2nd Quarter Ended		Year to Date Ended	
	2013	2012	2013	2012
	S\$'000	S\$'000	S\$'000	S\$'000
By Business Segments				
Consumer Essentials				
Consumer Business	245	(1,649)	569	(716)
Health Solutions	(1,170)	(1,685)	(1,399)	(2,327)
Strategic Investments				
Packaging	3,846	3,496	5,866	4,790
Unallocated results	116	281	323	(469)
	<u>3,037</u>	<u>443</u>	<u>5,359</u>	<u>1,278</u>
By Geographical Locations				
Singapore	(2,724)	(1,895)	(4,070)	(3,246)
Malaysia	1,518	(271)	2,895	805
China	4,243	2,609	6,534	3,719
	<u>3,037</u>	<u>443</u>	<u>5,359</u>	<u>1,278</u>

* Profits before net finance income, share of results of associates and taxation

Consumer Business

Turnover decreased by \$3.01 million or 6.1% in Q2 2013, from \$49.68 million in Q2 2012 to \$46.67 million in Q2 2013. Similarly, turnover in H1 2013 also reduced by \$10.30 million (9.8%), from \$105.27 million in H1 2012 to \$94.97 million in H1 2013. The decrease was caused by lower turnover generated by the distribution business in both Singapore and Malaysia due to the cessation of stockist business from Clarks in Feb 2012 and termination of a distributorship in May 2012.

The Consumer Business recorded a profit of \$0.25 million in Q2 2013 as compared to loss of \$1.65 million in Q2 2012. Similarly, for H1 2013, this segment accounted for a profit of \$0.57 million as compared to a loss of \$0.72 million in H1 2012.

Health Solutions

The Health Solutions segment recorded a turnover of \$0.03 million in Q2 2013 as compared to \$0.10 million in Q2 2012, a reduction of 70.0%. For the first half of the year 2013, the turnover of \$0.07 million was 63.2% lower than \$0.19 million turnover recorded in H1 2012.

The healthcare division recorded a loss of \$1.17 million in Q2 2013 as compared to a loss of \$1.69 million in Q2 2012. A loss of \$1.40 million for the six months period ended 30 June 2013 was incurred as compared to the loss of \$2.33 million recorded in the first half of the year 2012. The decrease in both Q2 2013 and H1 2013 was mainly due to provision made for doubtful debts in the previous periods.

Packaging

The Group's Packaging segment recorded a turnover of \$54.13 million in Q2 2013 as compared to \$47.66 million in Q2 2012, an increase of 13.6%. The same increasing trend was also observed for the first half of the year 2013 with turnover of \$99.51 million as compared to \$87.90 million for H1 2012, an increase of 13.2%. The improvement in the turnover was mainly attributable to the higher demand from customers of Hefei and Nantong plants in China.

PBIT in Q2 2013 was \$3.85 million as compared to \$3.50 recorded in Q2 2012. Similarly, for the half year ended 30 June 2013, the packaging group recorded an increase in its PBIT by 22.5%, from \$4.79 million in H1 2012 to \$5.87 million in H1 2013. The lower raw material costs resulted in higher gross profit for the packaging business.

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 Royal Umbrella, Golden Peony and Beautex tissue paper. New packaging is being rolled out for Beautex tissue paper in 2nd half of 2013. New agencies are also being sought to enlarge the Group's range of products coverage. Various promotion and marketing plans are in the pipeline during the current FY 2013 to complement the new products' introduction and brand building programmes. The Group will also continue to make inroads with its new retail concept stores to intensify its distribution coverage.

As for the Health Solutions business, the Group will continue to adopt a cautious approach in reviewing its future.

In view of the continuous slowdown of China economy, minimum price for imported Chinese photovoltaic products to be set by European Commission and the end of government subsidy for household electronic appliances in China, both China exports and domestic market conditions are expected to be challenging. Due to all these factors, the corrugated packaging industry in China will remain very competitive. Tat Seng Group is more cautious about the business outlook of both Singapore and China operations in the next 12 months.

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.

No IPT general mandate has been obtained from shareholders of the Company.

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted during the financial year under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
Nil	Nil	Nil

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
02 August 2013