



**Securities Investors Association (Singapore)**

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**Issuer:** Hanwell Holdings Limited

**Security:** Hanwell Holdings Limited

**Meeting details:**

Date: 26 April 2019

Time: 10.00 a.m.

Venue: 348 Jalan Boon Lay, Singapore 619529

**Company Description**

Hanwell Holdings Limited is engaged in the supply of provisions and household consumer products. The Company's segments include Consumer Essentials Consumer Business, which is engaged in the supply of provisions and household consumer products, retail franchising, manufacture and sale of soya bean products and noodles; Strategic Investments Packaging, which is engaged in the manufacture and sale of corrugated paper products and other packaging products, and Others, which includes investment holding, property investment, health solutions and property-related activities. The Company also provides management services to its subsidiaries. It operates in the grocery franchising sector through iEcon and Go2Mart. Go2Mart is an alternative retail concept store that integrates the concept of a convenience store with a minimart. Go2Mart has approximately five outlets island-wide. (Source: [http://www.sgx.com/wps/portal/sgxweb/home/company\\_disclosure/stockfacts?code=DM0](http://www.sgx.com/wps/portal/sgxweb/home/company_disclosure/stockfacts?code=DM0))

1. Would the board/management provide shareholders with better clarity on the following operational and financial matters? Specifically:

- (i) **348 Jalan Boon Lay: Can management elaborate further on the capacity and features of the new warehouse and factory at 348 Jalan Boon Lay? What is the current utilisation rate? Can management quantify the improvement in efficiency, manpower and/or cost following the redevelopment?**
- (ii) **Consumer products: To help shareholders better understand the group's business, would management show the breakdown of revenue by brand, category and product (top 5/top 10)?**
- (iii) **E-commerce: Can management update shareholders on the progress made with its e-commerce roll-out? What are some of the milestones achieved by the group? For instance, what is the total sale transaction, the number of users?**
- (iv) **Japan real estate (Kyoto): Does the group have the expertise and track record to carry out real estate development in Japan? How effective is it to use the proposed boutique hotel with food and beverage (F&B) outlets as a stepping stone to expand the group's food business into the Japan market?**
- (v) **Million Cube Limited: On 25 March 2019, the group announced that it had received a further sum of HKD2,200,000 although the remaining outstanding amount payable by the purchaser amounts to HKD104,800,000. Has the board re-evaluated the ability of the purchaser to complete the deal?**

2. On 10 January 2019, the company announced a proposed capital reduction and to return to shareholders of the company surplus capital in excess of the company's needs by way of a cash distribution of S\$0.03614 for each ordinary share.

In addition, on 22 February 2019, the company announced a first and final one-tier tax exempt dividend of S\$0.01 per ordinary share in respect of the financial year ended 31 December 2018.

The recent dividend pay-out by the company is shown below:

- FY2016: SGD 0.005
- FY2017: SGD 0.0025
- FY2018: SGD 0.01

- (i) **Can the board update shareholders on the deliberations it has had over the declaration of dividends?** It is observed that the dividends are more volatile than the earnings and the cash flow of the group.

Prior to FY2016, the last dividend (of SGD 0.01) was declared for FY2011.

- (ii) **Given the group's business model and the financial position of the group, would the board consider formulating a dividend policy?**
- (iii) **Does the capital reduction (to return excess cash to shareholders) suggest that the company has the capacity to increase its dividend on a sustainable basis?**

3. At the 45<sup>th</sup> annual general meeting scheduled to be held on 26 April 2019, the newly appointed directors, Mr Siu Wai Kam, Mr Kong WeiLi and Mr Goh Yang Jun, Jasper will retire pursuant to Regulation 93 of the company's Constitution and will be seeking re-election.

Dr John Chen Seow Phun is retiring pursuant to Regulation 87 of the Company's Constitution and will be seeking his re-election as well.

The profiles of the directors are shown on pages 5 and 6 of the annual report. More information on the directors who are seeking re-election is provided in Table A on pages 48 to 52.

- (i) **Can the company help shareholders understand its search and nomination process for directors, especially independent directors?**
- (ii) **Did the nominating committee review the overall desired competency matrix of the board and identify any gaps in skills or competencies that it addressed with the director appointments?**
- (iii) The company appointed three first-time directors to the board. **Can the board help shareholders understand if there is sufficient and appropriate mix of expertise and experience to enable the company to benefit from a diverse perspective of issues?**
- (iv) The company has also appointed the directors as independent directors of Tat Seng. **Would the appointment of the directors at Hanwell and Tat Seng affect the perceived independence of the directors?**
- (v) In the announcement of appointments, the company stated that the directors will attend the appropriate training. **Can the company/directors update shareholders on the formal training that they have received to enable them to better discharge their duties as directors of a listed company?**

A copy of the questions for the Annual Report for the financial year ended 31 December 2017 could be found here:

<https://sias.org.sg/qa-on-annual-reports/?company=Hanwell%20Holdings%20Ltd&cid=6387,4537>

The company's response could be found here: -----