



## HAW PAR CORPORATION LIMITED

(Company Registration Number: 196900437M)  
(Incorporated in the Republic of Singapore)

### Unaudited Second Quarter Financial Statements for the Period Ended 30 June 2008

1(a) An income statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group			Group		
	2nd Quarter ended 30 June			6 Months ended 30 June		
	2008	2007	+ / (-)	2008	2007	+ / (-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Turnover</b>	<b>30,070</b>	29,119	3.3	<b>55,948</b>	55,617	0.6
Cost of sales	<b>(12,368)</b>	(11,366)	8.8	<b>(23,345)</b>	(22,014)	6.0
<b>Gross profit</b>	<b>17,702</b>	17,753	(0.3)	<b>32,603</b>	33,603	(3.0)
Other income	<b>37,886</b>	51,470	(26.4)	<b>41,010</b>	52,404	(21.7)
Sales and marketing expenses	<b>(6,012)</b>	(5,469)	9.9	<b>(10,906)</b>	(10,638)	2.5
Warehouse and delivery expenses	<b>(105)</b>	(153)	(31.4)	<b>(241)</b>	(304)	(20.7)
General and administrative expenses	<b>(3,690)</b>	(3,584)	3.0	<b>(6,814)</b>	(6,357)	7.2
<b>Profit from operations</b>	<b>45,781</b>	60,017	(23.7)	<b>55,652</b>	68,708	(19.0)
Share of profit of associated company	<b>242</b>	2,722	(91.1)	<b>531</b>	2,841	(81.3)
<b>Profit before taxation</b>	<b>46,023</b>	62,739	(26.6)	<b>56,183</b>	71,549	(21.5)
Taxation	<b>(1,541)</b>	(9,802)	(84.3)	<b>(2,802)</b>	(10,771)	(74.0)
<b>Profit for the period</b>	<b>44,482</b>	52,937	(16.0)	<b>53,381</b>	60,778	(12.2)
<b>Attributable to:</b>						
Equity holders of the Company	<b>44,435</b>	52,903	(16.0)	<b>53,197</b>	60,645	(12.3)
Minority interests	<b>47</b>	34	38.2	<b>184</b>	133	38.3
	<b>44,482</b>	52,937	(16.0)	<b>53,381</b>	60,778	(12.2)

N/M - not meaningful

*Note:*

For the six months ended 30 June 2008, the Group has not accounted for the results of 20.84% owned associate, Hua Han Bio-Pharmaceutical Holdings Limited ("HHBP").

Further announcement will be made when HHBP's results for the year ended 30 June 2008 becomes available.

The comparatives for 2nd quarter and six months ended 30 June 2007 have been updated for HHBP.

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

	Group			Group		
	2nd Quarter ended 30 June			6 Months ended 30 June		
	2008	2007	+ / (-)	2008	2007	+ / (-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>(i) Other income</b>						
Investment Income	36,993	50,222	(26.3)	36,993	50,222	(26.3)
Interest income	155	659	(76.5)	325	1,335	(75.7)
Gain on disposal of investment property	-	-	-	2,445	-	-
Miscellaneous income	738	589	25.3	1,247	847	47.2
	<b>37,886</b>	<b>51,470</b>	<b>(26.4)</b>	<b>41,010</b>	<b>52,404</b>	<b>(21.7)</b>
<b>(ii) The following were charged/(credited) to the income statement :</b>						
Depreciation and amortisation	781	719	8.6	1,637	1,434	14.2
(Write-back)/Provision for stock obsolescence	(8)	-	-	(3)	16	N/M
Foreign exchange loss/(gain)	244	(27)	N/M	699	45	N/M
Prior years' (over)/under provision of current taxation	(2)	(326)	99.4	5	(326)	N/M
Prior years' under/(over) provision of deferred taxation	-	148	(100.0)	-	(358)	100.0
Gain on disposal of:						
- available-for-sale financial assets	-	(36)	N/M	-	(36)	N/M
- plant and equipment	-	(20)	100.0	-	-	-
Impairment in value of available-for-sale financial asset	301	-	N/M	301	-	N/M
N/M - not meaningful						
<b>(iii) Segmental results</b>						
<u>Turnover</u>						
Healthcare	17,545	16,616	5.6	31,599	32,166	(1.8)
Leisure	8,748	9,544	(8.3)	17,184	17,916	(4.1)
Property	3,777	2,959	27.6	7,165	5,535	29.4
	<b>30,070</b>	<b>29,119</b>	<b>3.3</b>	<b>55,948</b>	<b>55,617</b>	<b>0.6</b>
<u>Profit from operations</u>						
Healthcare	3,351	3,439	(2.6)	5,603	6,485	(13.6)
Leisure	4,097	5,156	(20.5)	7,897	9,460	(16.5)
Property	3,100	2,324	33.4	8,228	4,160	97.8
Investments	36,763	50,817	(27.7)	36,852	51,409	(28.3)
Unallocated expenses	(1,530)	(1,719)	(11.0)	(2,928)	(2,806)	4.3
	<b>45,781</b>	<b>60,017</b>	<b>(23.7)</b>	<b>55,652</b>	<b>68,708</b>	<b>(19.0)</b>



1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	<u>Group</u>		<u>Company</u>	
	30/06/08 S\$'000	31/12/07 S\$'000	30/06/08 S\$'000	31/12/07 S\$'000
<b>Non-current assets</b>				
Property, plant and equipment	28,705	26,469	-	-
Investment properties	213,389	214,498	-	-
Subsidiaries	-	-	388,978	389,613
Associated companies	47,005	49,995	2,895	2,895
Long term investments	1,203,515	1,285,747	937	937
Intangible assets	11,116	11,216	-	-
	<u>1,503,730</u>	<u>1,587,925</u>	<u>392,810</u>	<u>393,445</u>
<b>Current assets</b>				
Stocks	6,046	5,596	-	-
Receivables	17,691	20,403	111,755	147,209
Tax recoverable	603	600	-	-
Available-for-sale financial assets	335,079	361,433	-	-
Deposits with banks and financial institutions	47,698	33,368	33,170	20,893
Cash and bank balances	24,303	18,317	1,718	1,102
	<u>431,420</u>	<u>439,717</u>	<u>146,643</u>	<u>169,204</u>
Property held for sale	-	10,000	-	-
	<u>431,420</u>	<u>449,717</u>	<u>146,643</u>	<u>169,204</u>
<b>Total assets</b>	<u>1,935,150</u>	<u>2,037,642</u>	<u>539,453</u>	<u>562,649</u>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Creditors	(26,989)	(28,645)	(238,265)	(224,550)
Taxation	(6,961)	(7,154)	(232)	(272)
	<u>(33,950)</u>	<u>(35,799)</u>	<u>(238,497)</u>	<u>(224,822)</u>
<b>Non-current liabilities</b>				
Deferred income taxation	(62,698)	(67,655)	-	-
<b>Total liabilities</b>	<u>(96,648)</u>	<u>(103,454)</u>	<u>(238,497)</u>	<u>(224,822)</u>
<b>NET ASSETS</b>	<u>1,838,502</u>	<u>1,934,188</u>	<u>300,956</u>	<u>337,827</u>
<b>EQUITY</b>				
Share capital	239,393	239,238	239,393	239,238
Reserves	1,592,347	1,688,051	61,563	98,589
	<u>1,831,740</u>	<u>1,927,289</u>	<u>300,956</u>	<u>337,827</u>
<b>Minority interests</b>	6,762	6,899	-	-
<b>Total equity</b>	<u>1,838,502</u>	<u>1,934,188</u>	<u>300,956</u>	<u>337,827</u>

**1(b)(ii) Aggregate amount of group's borrowings and debt securities.**

**Amount repayable in one year or less, or on demand**

As at 30/06/08		As at 31/12/07	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
-	-	-	-

**Amount repayable after one year**

As at 30/06/08		As at 31/12/07	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
-	-	-	-

**Details of any collateral**

Not applicable

1(c) A cashflow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group		Group	
	2nd Quarter ended		6 Months ended	
	30 June		30 June	
	2008	2007	2008	2007
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Cash flows from operating activities:</b>				
Profit for the period	44,482	52,937	53,381	60,778
Adjustments for:				
Taxation	1,541	9,802	2,802	10,771
Share of results of associated companies	(242)	(2,722)	(531)	(2,841)
Gain on disposal of an investment property	-	-	(2,445)	-
Depreciation of property, plant and equipment	781	719	1,537	1,434
Amortisation of intangible assets	-	-	100	-
Share-based payments	153	149	302	246
Gain on disposal of property, plant and equipment	-	(20)	-	-
Property, plant and equipment written off	9	46	34	60
Investment and interest income	(37,148)	(50,881)	(37,318)	(51,557)
(Write-back)/Provision for stock obsolescence	(8)	-	(3)	16
Gain on sale of available-for-sale assets	-	(36)	-	(36)
Impairment in value of available-for-sale financial asset	301	-	301	-
Exchange adjustments	(887)	378	(815)	291
<b>Operating profit before working capital changes</b>	<b>8,982</b>	<b>10,372</b>	<b>17,345</b>	<b>19,162</b>
Decrease in stocks	(262)	(627)	(447)	(704)
(Increase)/decrease in receivables	(3,058)	(1,525)	2,716	(2,066)
Increase/(decrease) in creditors	2,788	3,957	(1,711)	(776)
<b>Cash generated from operations</b>	<b>8,450</b>	<b>12,177</b>	<b>17,903</b>	<b>15,616</b>
Investment and interest income received	37,152	50,881	37,314	51,557
Net taxation paid	(2,134)	(11,279)	(2,999)	(11,682)
<b>Net cash provided by operating activities</b>	<b>43,468</b>	<b>51,779</b>	<b>52,218</b>	<b>55,491</b>
<b>Cash flows from investing activities:</b>				
Proceeds from liquidation of available-for-sale financial assets	-	-	-	3,055
Purchase of long term available-for-sale financial assets	-	-	(3,741)	-
Purchase of property, plant and equipment	(2,408)	(1,969)	(4,182)	(2,745)
Proceeds from disposal of an investment property	-	-	12,500	-
Improvements to investment properties	(11)	(116)	(21)	(142)
Dividend received from associated company	-	719	-	719
Redemption of preference shares in long term investment	-	(14)	-	17
Proceeds received from disposal of available-for-sale	-	1,510	-	1,510
Cash distribution from available-for-sale financial assets	898	-	898	-
<b>Net cash (used in)/generated from investing activities</b>	<b>(1,521)</b>	<b>130</b>	<b>5,454</b>	<b>2,414</b>
<b>Cash flows from financing activities:</b>				
Proceeds from issue of share capital	155	1,025	155	1,549
Payment of dividends to shareholders of the Company	(37,511)	(29,113)	(37,511)	(29,113)
<b>Net cash used in financing activities</b>	<b>(37,356)</b>	<b>(28,088)</b>	<b>(37,356)</b>	<b>(27,564)</b>
Net increase in cash and cash equivalents	4,591	23,821	20,316	30,341
Cash and cash equivalents at beginning of the period	67,410	104,127	51,685	97,607
<b>Cash and cash equivalents at end of the period</b>	<b>72,001</b>	<b>127,948</b>	<b>72,001</b>	<b>127,948</b>
<b>Cash and cash equivalents comprised the following:</b>				
Cash and bank balances	24,303	14,015	24,303	14,015
Deposits with banks and financial institutions	47,698	113,933	47,698	113,933
	<b>72,001</b>	<b>127,948</b>	<b>72,001</b>	<b>127,948</b>

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.

<u>Group</u>	2nd Quarter ended 30 June		6 Months ended 30 June	
	2008 S\$'000	2007 S\$'000	2008 S\$'000	2007 S\$'000
<b>Recognised in foreign currency translation reserve</b>				
Exchange differences on translation of the financial statements of foreign entities (net)	(2,682)	680	(5,573)	870
<b>Recognised in other reserves</b>				
Fair value (loss)/gains (net of tax) on financial assets taken to equity	(30,240)	127,185	(106,440)	315,786
Expensing of share options	153	149	302	246
<b>Net income/(expense) recognised directly in equity</b>	<b>(32,769)</b>	<b>128,014</b>	<b>(111,711)</b>	<b>316,902</b>
Profit for the period	44,482	52,937	53,381	60,778
<b>Total recognised income and expense for the period</b>	<b>11,713</b>	<b>180,951</b>	<b>(58,330)</b>	<b>377,680</b>
<b>Attributable to:</b>				
Equity holders of the Company	12,147	180,760	(58,193)	377,390
Minority interests	(434)	191	(137)	290
	<b>11,713</b>	<b>180,951</b>	<b>(58,330)</b>	<b>377,680</b>
<u>Company</u>				
<b>Recognised in other reserve</b>				
Expensing of share options	153	149	302	246
	<b>153</b>	<b>149</b>	<b>302</b>	<b>246</b>
(Loss)/Profit for the period	(276)	66	183	974
<b>Total recognised income and expense for the period</b>	<b>(123)</b>	<b>215</b>	<b>485</b>	<b>1,220</b>



**1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-**

Since 31 March 2008, a total of 33,000 new ordinary shares were issued pursuant to the exercise of share options.

As at 30 June 2008, unissued shares under the share option schemes of the Company were as follows:

	<u>30/06/08</u>	<u>30/06/07</u>
The Haw Par Corporation Group 2002 Share Option Scheme	953,000	739,000
	<u>953,000</u>	<u>739,000</u>

**2. Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice.**

The figures as shown in the announcement have not been audited nor reviewed by the Company's auditors.

**3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a 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.**

These financial statements have been prepared based on accounting policies and methods of computation consistent with those adopted in the most recently audited annual financial statements, except for accounting of associated companies as set out on Page 1.

**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.**

None.

6. Earnings 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 30 June 2008	2007	6 Months ended 30 June 2008	2007
Earnings per ordinary share:				
(a) Based on the weighted average number of ordinary shares on issue	22.5 cts	25.5 cts	<b>26.9 cts</b>	29.2 cts
(b) On a fully diluted basis	22.5 cts	25.4 cts	<b>26.9 cts</b>	29.2 cts

7. Net asset value (for the issuer and group) per ordinary share based on the issued share capital of the issuer at the end of the:-  
 (a) current financial period reported on; and  
 (b) immediately preceding financial year.

	Group		Company	
	30/06/08	31/12/07	30/06/08	31/12/07
Net asset value per ordinary share (\$)	<b>9.28</b>	9.76	<b>1.52</b>	1.71



8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**
- (a) **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; and**
  - (b) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

***2nd quarter ended 30 June 2008***

Profit from operations decreased by 23.7% to \$45.8m mainly due to decrease in investment income. Turnover for 2Q2008 increased marginally by 3.3% due to higher sales from healthcare and property divisions partially offset by lower sales from leisure division.

Healthcare division reported a 2.6% dip in profitability despite higher sales due to exchange loss from the weakening US dollar. Leisure's results were 20.5% lower than prior year due to a decrease in visitorship in Singapore. Property division benefited from market buoyancy and saw profits increase by 33.4%.

***6 months ended 30 June 2008***

A 19.0% drop in profit from operations to \$55.7m was mainly due to a decrease in investment income and lower operating profits from Healthcare and Leisure divisions. Group earnings in 1H2008 decreased by 12.2% to \$53.4m as compared to 1H2007. The share of profits of associates will be updated when the Hong Kong-listed associate's results become available. Turnover for 1H2008 increased marginally by 0.6% from prior year.

Healthcare division registered a 13.6% drop in earnings over last year due to lower sales and a weakening US dollar. Leisure recorded a 16.5% decrease in operating profit with better performance of Underwater World Pattaya from an increase in gate fees being offset by the weaker performance at Underwater World Singapore. Excluding the gain on disposal of Setron building, the performance of the property division saw a 39.0% improvement in profits with higher occupancy and rental rates.

Net asset value per share dropped from \$9.76 to \$9.28 mainly due to a decrease in fair value of available-for-sale financial assets.

9. **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

No forecast or prospect statement was made previously in respect of 2Q results.

10. **A commentary at the date of the announcement of the significant trends and 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.**

Slower economic growth and inflationary pressures in the global economy continue to affect markets and the Group. Healthcare division will continue to be affected by the impact of slowdown in sales in the US. Margins are likely to be affected by increase in prices of raw materials. Leisure division is expected to face challenges from the decline in leisure travellers. The Hong Kong listed associated company, Hua Han Bio-Pharmaceutical Holdings Limited is expected to contribute positively when its results for the 6 months ended 30 June 2008 are available.

**11. Dividend**

**(a) Current Financial Period Reported On**

Any dividend declared/recommended for the current financial period reported on? Yes

Name of Dividend	First & Interim
Dividend Type	Cash
Dividend amount per share	6 cents per ordinary share tax-exempt (one-tier)
Tax Rate	Tax-Exempt (one-tier)

**(b) Corresponding Period of the Immediately Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

Name of Dividend	First & Interim
Dividend Type	Cash
Dividend amount per share	6 cents per ordinary share tax-exempt (one-tier)
Tax Rate	Tax-Exempt (one-tier)

**(c) Date payable**

First & Interim Dividend - 10 September 2008

**(d) Books closure date**

The Share Transfer Books and Register of Members of the Company will be closed on 29 August 2008. Duly completed transfers received by the Company's Share Registrar up to 5.00 pm on 28 August 2008 will be registered to determine shareholders' entitlement to the First & Interim Dividend. In respect of ordinary shares in securities accounts with The Central Depository (Pte) Ltd ("CDP"), the First & Interim Dividend will be paid to CDP, which will in turn distribute the dividend entitlement to the shareholders concerned.

**12. If no dividend has been declared/recommended, a statement to that effect.**

Not applicable.

**CONFIRMATION BY THE BOARD**

The Board of Directors hereby confirm that, to the best of its knowledge, nothing has come to its attention which may render the unaudited financial results of the Group for the six months / second quarter of 2008 to be false or misleading.

**BY ORDER OF THE BOARD**

Zann Lim  
Company Secretary  
13 August 2008