



HAW PAR CORPORATION LIMITED

(Company Registration Number: 196900437M)

(Incorporated in the Republic of Singapore)

Unaudited Third Quarter Financial Statements for the Period Ended 30 September 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		
	3rd Quarter ended 30 September 2008			9 Months ended 30 September 2008		
	2008	2007	+ / (-)	2008	2007	+ / (-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Turnover	31,154	30,658	1.6	87,102	86,275	1.0
Cost of sales	(13,006)	(12,605)	3.2	(36,351)	(34,619)	5.0
Gross profit	18,148	18,053	0.5	50,751	51,656	(1.8)
Other income	13,351	23,068	(42.1)	54,361	75,472	(28.0)
Sales and marketing expenses	(5,439)	(5,879)	(7.5)	(16,345)	(16,517)	(1.0)
Warehouse and delivery expenses	(148)	(169)	(12.4)	(389)	(473)	(17.8)
General and administrative expenses	(3,206)	(3,254)	(1.5)	(10,020)	(9,611)	4.3
Profit from operations	22,706	31,819	(28.6)	78,358	100,527	(22.1)
Share of profit of associated companies	257	161	59.6	3,421	3,002	14.0
Profit before taxation	22,963	31,980	(28.2)	81,779	103,529	(21.0)
Taxation	(1,879)	(4,816)	(61.0)	(4,681)	(15,587)	(70.0)
Profit for the period	21,084	27,164	(22.4)	77,098	87,942	(12.3)
Attributable to:						
Equity holders of the Company	21,068	27,216	(22.6)	76,898	87,861	(12.5)
Minority interests	16	(52)	N/M	200	81	146.9
	21,084	27,164	(22.4)	77,098	87,942	(12.3)

N/M - not meaningful

Note:

For the nine months ended 30 September 2008, the Group has accounted for the results of 20.84% owned associate, Hua Han Bio-Pharmaceutical Holdings Limited ("HHBP") up till 30 June 2008.

For the quarter ended 30 September 2008, the Group has not accounted for the results of HHBP as HHBP is not required to report quarterly and is bound by Hong Kong listing rules from releasing its results only to the Group.

1(a) Notes to the Income Statement

	Group			Group		
	3rd Quarter ended 30 September			9 Months ended 30 September		
	2008	2007	+ / (-)	2008	2007	+ / (-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
(i) Other income						
Investment income	12,811	22,009	(41.8)	49,804	72,231	(31.0)
Interest income	141	564	(75.0)	466	1,899	(75.5)
Gain on disposal of investment property	-	-	-	2,445	-	-
Miscellaneous income	399	495	(19.4)	1,646	1,342	22.7
	13,351	23,068	(42.1)	54,361	75,472	(28.0)
(ii) The following were charged/(credited) to the income statement :						
Depreciation and amortisation	781	777	0.5	2,418	2,211	9.4
Provision for stock obsolescence	17	74	(77.0)	14	90	(84.4)
Foreign exchange (gain)/loss	(26)	88	N/M	673	133	N/M
Prior years' (over)/under provision of current taxation	(2)	19	N/M	3	(307)	N/M
Prior years' overprovision of deferred taxation	-	(175)	100.0	-	(533)	100.0
Gain on disposal of available-for-sale financial assets	-	(264)	100.0	-	(300)	100.0
Impairment in value of available-for-sale financial asset	-	-	N/M	301	-	N/M
N/M - not meaningful						
(iii) Segmental results						
<u>Turnover</u>						
Healthcare	18,325	18,472	(0.8)	49,924	50,638	(1.4)
Leisure	8,340	9,132	(8.7)	25,524	27,048	(5.6)
Property	4,489	3,054	47.0	11,654	8,589	35.7
	31,154	30,658	1.6	87,102	86,275	1.0
<u>Profit from operations</u>						
Healthcare	3,873	3,676	5.4	9,476	10,161	(6.7)
Leisure	3,964	4,713	(15.9)	11,861	14,173	(16.3)
Property	3,152	1,990	58.4	11,380	6,150	85.0
Investments	12,871	22,845	(43.7)	49,723	74,254	(33.0)
Unallocated expenses	(1,154)	(1,405)	(17.9)	(4,082)	(4,211)	(3.1)
	22,706	31,819	(28.6)	78,358	100,527	(22.1)

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.

	Group		Company	
	30/09/08	31/12/07	30/09/08	31/12/07
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	32,445	26,469	-	-
Investment properties	213,296	214,498	-	-
Investment in subsidiaries	-	-	388,779	389,613
Investment in associated companies	55,460	49,995	2,895	2,895
Available-for-sale financial assets	1,038,131	1,285,747	937	937
Intangible assets	11,116	11,216	-	-
	1,350,448	1,587,925	392,611	393,445
Current assets				
Stocks	7,009	5,596	-	-
Receivables	20,326	20,403	125,252	147,209
Tax recoverable	111	600	-	-
Available-for-sale financial assets	299,336	361,433	-	-
Deposits with banks and financial institutions	35,527	33,368	22,035	20,893
Cash and bank balances	23,881	18,317	1,751	1,102
	386,190	439,717	149,038	169,204
Property held for sale	-	10,000	-	-
	386,190	449,717	149,038	169,204
Total assets	1,736,638	2,037,642	541,649	562,649
LIABILITIES				
Current liabilities				
Trade and other payables	(30,449)	(28,645)	(253,277)	(224,550)
Taxation	(6,529)	(7,154)	(176)	(272)
	(36,978)	(35,799)	(253,453)	(224,822)
Non-current liabilities				
Deferred income taxation	(56,667)	(67,655)	-	-
Total liabilities	(93,645)	(103,454)	(253,453)	(224,822)
NET ASSETS	1,642,993	1,934,188	288,196	337,827
EQUITY				
Share capital	239,541	239,238	239,541	239,238
Reserves	1,396,514	1,688,051	48,655	98,589
	1,636,055	1,927,289	288,196	337,827
Minority interests	6,938	6,899	-	-
Total equity	1,642,993	1,934,188	288,196	337,827

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

Amount repayable in one year or less, or on demand

As at 30/09/08		As at 31/12/07	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
-	-	-	-

Amount repayable after one year

As at 30/09/08		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	
	3rd Quarter ended 30 September		9 Months ended 30 September	
	2008	2007	2008	2007
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities:				
Profit for the period	21,084	27,164	77,098	87,942
Adjustments for:				
Taxation	1,879	4,816	4,681	15,587
Share of results of associated companies	(257)	(161)	(3,421)	(3,002)
Gain on disposal of an investment property	-	-	(2,445)	-
Depreciation of property, plant and equipment	781	777	2,318	2,211
Amortisation of intangible assets	-	-	100	-
Share-based payments	15	149	317	395
Property, plant and equipment written off	15	72	49	132
Investment and interest income	(12,952)	(22,573)	(50,270)	(74,130)
Provision for stock obsolescence	17	74	14	90
Gain on sale of available-for-sale financial assets	-	(264)	-	(300)
Impairment in value of available-for-sale financial asset	-	-	301	-
Exchange adjustments	858	(300)	43	(9)
Operating profit before working capital changes	11,440	9,754	28,785	28,916
(Increase)/decrease in stocks	(980)	726	(1,427)	22
(Increase)/decrease in receivables	(2,645)	(1,040)	71	(3,106)
Increase/(decrease) in creditors	3,460	2,255	1,749	1,479
Cash generated from operations	11,275	11,695	29,178	27,311
Investment and interest income received	12,964	22,573	50,278	74,130
Net taxation paid	(1,819)	(6,148)	(4,818)	(17,830)
Net cash provided by operating activities	22,420	28,120	74,638	83,611
Cash flows from investing activities:				
Proceeds from liquidation of available-for-sale financial assets	-	-	-	3,055
Purchase of long term available-for-sale financial assets	(19,534)	-	(23,275)	-
Deferred expenditure incurred	-	(80)	-	(80)
Purchase of property, plant and equipment	(4,334)	(953)	(8,516)	(3,698)
Proceeds from disposal of an investment property	-	-	12,500	-
Improvements to investment properties	(46)	(47)	(67)	(189)
Dividend received from associated company	600	-	600	719
Redemption of preference shares in long term investment	-	-	-	17
Proceeds received from disposal of available-for-sale financial assets	-	505	-	2,015
Cash distribution from available-for-sale financial assets	-	-	898	-
Net cash (used in)/generated from investing activities	(23,314)	(575)	(17,860)	1,839
Cash flows from financing activities:				
Funds used for share buyback	-	(52,571)	-	(52,571)
Proceeds from issue of share capital	148	44	303	1,593
Payment of dividends to shareholders of the Company	(11,847)	(12,171)	(49,358)	(41,284)
Net cash used in financing activities	(11,699)	(64,698)	(49,055)	(92,262)
Net (decrease)/ increase in cash and cash equivalents	(12,593)	(37,153)	7,723	(6,812)
Cash and cash equivalents at beginning of the period	72,001	127,948	51,685	97,607
Cash and cash equivalents at end of the period	59,408	90,795	59,408	90,795
Cash and cash equivalents comprised the following:				
Cash and bank balances	23,881	13,981	23,881	13,981
Deposits with banks and financial institutions	35,527	76,814	35,527	76,814
	59,408	90,795	59,408	90,795

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.

Group	3rd Quarter ended 30 September		9 Months ended 30 September	
	2008 S\$'000	2007 S\$'000	2008 S\$'000	2007 S\$'000
Recognised in foreign currency translation reserve				
Exchange differences on translation of the financial statements of foreign entities (net)	3,467	(1,094)	1,635	1,000
Recognised in other reserves				
Fair value (loss)/gains (net of tax) on financial assets taken to equity	(214,750)	(48,104)	(321,190)	267,682
Disposal of available-for-sale financial assets	-	(238)	-	(238)
Expensing of share options	15	149	317	395
Recognised in revenue reserve				
Share buy back	-	(44,453)	-	(44,453)
Net (expense)/income recognised directly in equity	(211,268)	(93,740)	(319,238)	224,386
Profit for the period	21,084	27,164	77,098	87,942
Total recognised (expense) and income for the period	(190,184)	(66,576)	(242,140)	312,328
Attributable to:				
Equity holders of the Company	(190,360)	(66,361)	(242,179)	312,253
Minority interests	176	(215)	39	75
	(190,184)	(66,576)	(242,140)	312,328
Company				
Recognised in other reserve				
Expensing of share options	15	149	317	395
Recognised in revenue reserve				
Share buy back	-	(44,453)	-	(44,453)
	15	(44,304)	317	(44,058)
(Loss)/Profit for the period	(1,076)	50,326	(893)	51,300
Total recognised (expense) and income for the period	(1,061)	6,022	(576)	7,242



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

Since 30 June 2008, a total of 28,000 new ordinary shares were issued pursuant to the exercise of share options.

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

	<u>30/09/08</u>	<u>30/09/07</u>
The Haw Par Corporation Group 2002 Share Option Scheme	901,000	725,000
	<u>901,000</u>	<u>725,000</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	
	3rd Quarter ended 30 September 2008	30 September 2007	9 Months ended 30 September 2008	30 September 2007
Earnings per ordinary share:				
(a) Based on the weighted average number of ordinary shares on issue	10.7 cts	13.4 cts	39.0 cts	42.6 cts
(b) On a fully diluted basis	10.7 cts	13.4 cts	38.9 cts	42.5 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	
	30/09/08	31/12/07	30/09/08	31/12/07
Net asset value per ordinary share (\$)	8.29	9.76	1.46	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.**

Third quarter ended 30 September 2008

Turnover for 3Q2008 was marginally higher by 1.6% to \$31.2m due to higher rental revenue from Property partially offset by lower sales from Healthcare and Leisure.

Profits from operations decreased by 28.6% to \$22.7m primarily due to lower investment income. Healthcare and Property divisions, however, recorded improvement in operating profits of 5.4% and 58.4% respectively.

Period of 9 months ended 30 September 2008

Turnover for nine months to date increased marginally by 1% to \$87.1m. Profits from operations decreased by 22% to \$78.4m mainly due to lower investment income.

Profit contribution from Healthcare was 6.7% below prior year due to lower sales arising mainly from depreciating foreign currencies that sales were recorded in, coupled with an increase in operating expenses. Leisure recorded a 16.3% decrease in operating profits mainly due to lower visitorship. Excluding the gain on disposal of Setron Building, property division achieved 45% growth in operating profits with improved occupancy and higher rental rates.

Net asset value per share dropped from \$9.76 to \$8.29 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 3Q 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.**

Operating conditions are expected to be challenging in the face of the global economic downturn. Consumer sentiment is likely to be cautious and this is likely to have a negative impact in the sales of healthcare products. Leisure division is also expected to face challenges from declining leisure travellers amidst a weakening tourism industry. The property division is expected to maintain its performance, with occupancy and rental rates committed for the rest of the year.



11. Dividend

(a) Current Financial Period Reported On

Any dividend declared/recommended for the current financial period reported on? No

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? No

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend is declared by the Company for the quarter ended 30 September 2008.

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 nine months / third quarter of 2008 to be false or misleading.

BY ORDER OF THE BOARD

Zann Lim
Company Secretary
7 November 2008