

# HAW PAR CORPORATION LIMITED

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

## Unaudited First Quarter Financial Statements for the Period Ended 31 March 2009

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

	<b>Group</b>		
	<b>Period Ended 31 March</b>		
	<b>2009</b>	<b>2008</b>	<b>+ / (-)</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
<b>Revenue</b>	<b>28,106</b>	25,878	8.6
Cost of sales	<b>(12,064)</b>	(10,977)	9.9
<b>Gross profit</b>	<b>16,042</b>	14,901	7.7
Other income	<b>1,179</b>	3,124	(62.3)
Sales and marketing expenses	<b>(4,787)</b>	(4,894)	(2.2)
Warehouse and delivery expenses	<b>(101)</b>	(136)	(25.7)
General and administrative expenses	<b>(2,559)</b>	(3,124)	(18.1)
<b>Profit from operations</b>	<b>9,774</b>	9,871	(1.0)
Share of results of an associated company	<b>238</b>	289	(17.6)
<b>Profit before taxation</b>	<b>10,012</b>	10,160	(1.5)
Taxation	<b>(871)</b>	(1,261)	(30.9)
<b>Profit for the period</b>	<b>9,141</b>	8,899	2.7
<b>Attributable to:</b>			
Equity holders of the Company	<b>9,048</b>	8,762	3.3
Minority interests	<b>93</b>	137	(32.1)
	<b>9,141</b>	8,899	2.7

A consolidated statement of comprehensive income for the quarter ended 31 March 2009:

	<b>Group</b>		
	<b>Period ended 31 March</b>		
	<b>2009</b>	<b>2008</b>	<b>+ / (-)</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
<b>Profit for the period</b>	<b>9,141</b>	8,899	2.7
<b>Other comprehensive (expense)/income, after tax</b>			
Fair value losses on available-for-sale financial assets	<b>(207,319)</b>	(76,200)	(172.1)
Exchange differences on translation of the financial statements of foreign entities (net)	<b>4,456</b>	(2,891)	N/M
<b>Other comprehensive expense for the period, net of tax</b>	<b>(202,863)</b>	(79,091)	(156.5)
<b>Total comprehensive expense for the period</b>	<b>(193,722)</b>	(70,192)	(176.0)
<b>Total comprehensive (expense)/income attributable to:</b>			
Equity holders of the Company	<b>(193,982)</b>	(70,489)	(175.2)
Minority interests	<b>260</b>	297	(12.5)
	<b>(193,722)</b>	(70,192)	(176.0)

N/M - not meaningful

**Note:**

As the 20.84% owned associate, Hua Han Bio-Pharmaceutical Holdings Limited ("HHBP") is not required to report quarterly and is restricted by Hong Kong listing rules from releasing its results only to the Group, the above figures have not accounted for the results of HHBP for the quarters ended 31 March 2008 and 2009.

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

	<b>Group</b>		
	<b>Period Ended 31 March</b>		
	<b>2009</b>	2008	+ / (-)
	<b>S\$'000</b>	S\$'000	%
<b>(i) Other income</b>			
Investment income	325	-	N/M
Interest income	175	170	2.9
Gain on disposal of an investment property	-	2,445	(100.0)
Miscellaneous income	679	509	33.4
	<b>1,179</b>	<b>3,124</b>	<b>(62.3)</b>
<b>(ii) The following were charged/(credited) to the income statement :</b>			
Depreciation and amortisation	742	856	(13.3)
Inventories written down	17	5	240.0
Foreign exchange (gain)/loss	(319)	455	N/M
Prior years' (over)/underprovision of current taxation	(52)	7	N/M
Prior years' overprovision of deferred taxation			
- Change in tax rate	(752)	-	N/M
<b>(iii) Segmental results</b>			
<u>Revenue</u>			
Healthcare	15,970	14,054	13.6
Leisure	7,528	8,436	(10.8)
Property	4,608	3,388	36.0
	<b>28,106</b>	<b>25,878</b>	<b>8.6</b>
<u>Profit from operations</u>			
Healthcare	3,684	2,252	63.6
Leisure	3,256	3,800	(14.3)
Property	3,666	5,128	(28.5)
Investments	472	89	430.3
Unallocated expenses	(1,304)	(1,398)	(6.7)
	<b>9,774</b>	<b>9,871</b>	<b>(1.0)</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.

	<b>Group</b>		<b>Company</b>	
	<b>31/03/09</b>	<b>31/12/08</b>	<b>31/03/09</b>	<b>31/12/08</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	38,426	35,341	-	-
Investment properties	198,163	197,826	-	-
Investment in subsidiaries	-	-	389,573	389,573
Investment in associated companies	62,347	59,359	2,895	2,895
Available-for-sale financial assets	594,587	758,226	828	828
Intangible assets	11,116	11,116	-	-
	<b>904,639</b>	<b>1,061,868</b>	<b>393,296</b>	<b>393,296</b>
<b>Current assets</b>				
Available-for-sale financial assets	197,730	251,655	-	-
Inventories	6,126	6,558	-	-
Trade and other receivables	16,211	21,685	125,837	126,147
Tax recoverable	95	100	-	-
Deposits with banks and financial institutions	51,395	43,300	35,298	30,228
Cash and bank balances	21,032	23,785	1,120	1,101
	<b>292,589</b>	<b>347,083</b>	<b>162,255</b>	<b>157,476</b>
<b>Total assets</b>	<b>1,197,228</b>	<b>1,408,951</b>	<b>555,551</b>	<b>550,772</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	(26,294)	(33,131)	(171,882)	(165,500)
Taxation	(8,355)	(7,604)	(115)	(115)
	<b>(34,649)</b>	<b>(40,735)</b>	<b>(171,997)</b>	<b>(165,615)</b>
<b>Non-current liabilities</b>				
Deferred income taxation	(29,623)	(41,134)	-	-
	<b>(29,623)</b>	<b>(41,134)</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>(64,272)</b>	<b>(81,869)</b>	<b>(171,997)</b>	<b>(165,615)</b>
<b>NET ASSETS</b>	<b>1,132,956</b>	<b>1,327,082</b>	<b>383,554</b>	<b>385,157</b>
<b>EQUITY</b>				
<b>Equity attributable to equity holders of the Company</b>				
Share capital	239,541	239,541	239,541	239,541
Reserves	886,138	1,080,524	144,013	145,616
	<b>1,125,679</b>	<b>1,320,065</b>	<b>383,554</b>	<b>385,157</b>
<b>Minority interests</b>	<b>7,277</b>	<b>7,017</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>	<b>1,132,956</b>	<b>1,327,082</b>	<b>383,554</b>	<b>385,157</b>

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

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

As at 31/03/09		As at 31/12/08	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
-	-	-	-

**Amount repayable after one year**

As at 31/03/09		As at 31/12/08	
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	
	Period Ended 31 March 2009 S\$'000	2008 S\$'000
<b>Cash flows from operating activities:</b>		
Profit for the period	9,141	8,899
Adjustments for:		
Taxation	871	1,261
Share of results of an associated company	(238)	(289)
Gain on disposal of an investment property	-	(2,445)
Investment and interest income	(500)	(170)
Depreciation of property, plant and equipment	742	756
Expensing of share options	101	149
Property, plant and equipment written off	9	25
Inventories written down	17	5
Amortisation of intangible assets	-	100
Translation losses	895	72
<b>Operating profit before working capital changes</b>	<b>11,038</b>	<b>8,363</b>
Decrease/(increase) in inventories	415	(185)
Decrease in trade and other receivables	5,452	5,774
Decrease in trade and other payables	(6,837)	(4,499)
<b>Cash generated from operations</b>	<b>10,068</b>	<b>9,453</b>
Investment and interest income received	270	162
Net taxation paid	(869)	(865)
<b>Net cash provided by operating activities</b>	<b>9,469</b>	<b>8,750</b>
<b>Cash flows from investing activities:</b>		
Purchase of long term available-for-sale financial assets	-	(3,741)
Purchase of property, plant and equipment	(3,621)	(1,774)
Proceeds from sale of investment property	-	12,500
Purchase of minority interest in subsidiary	(505)	-
Improvements to investment properties	(2)	(10)
<b>Net cash (used in)/generated from investing activities</b>	<b>(4,128)</b>	<b>6,975</b>
<b>Cash flows from financing activities:</b>		
Bank deposits pledged	(454)	-
<b>Net cash used in financing activities:</b>	<b>(454)</b>	<b>-</b>
<b>Net increase in cash and cash equivalents</b>	<b>4,887</b>	<b>15,725</b>
Cash and cash equivalents at beginning of the period	66,961	51,685
<b>Cash and cash equivalents at end of the period</b>	<b>71,848</b>	<b>67,410</b>
<b>Cash and cash equivalents comprised the following:</b>		
Cash and bank balances	21,032	15,379
Deposits with banks and financial institutions	51,395	52,031
Less: Bank deposits pledged for banker's guarantee	(579)	-
	<b>71,848</b>	<b>67,410</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.

	Attributable to equity shareholders of the Company							Total Equity
	Share Capital	Fair Value Reserve	Other Reserve	Foreign Currency Translation Reserve	Revenue Reserve	Total	Minority Interests	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>The Group</b>								
<b>2009</b>								
Balance at 1 January 2009	239,541	538,378	20,549	243	521,354	1,320,065	7,017	1,327,082
Expensing of share options	-	-	101	-	-	101	-	101
Purchase of minority interest in subsidiary	-	-	-	-	(505)	(505)	-	(505)
Total comprehensive (expense)/income for the period	-	(207,319)	-	4,289	9,048	(193,982)	260	(193,722)
<b>Balance at 31 March 2009</b>	<b>239,541</b>	<b>331,059</b>	<b>20,650</b>	<b>4,532</b>	<b>529,897</b>	<b>1,125,679</b>	<b>7,277</b>	<b>1,132,956</b>
<b>2008</b>								
Balance at 1 January 2008	239,238	1,178,240	19,776	(2,665)	492,700	1,927,289	6,899	1,934,188
Expensing of share options	-	-	149	-	-	149	-	149
Total comprehensive (expense)/income for the period	-	(76,200)	-	(3,051)	8,762	(70,489)	297	(70,192)
Balance at 31 March 2008	239,238	1,102,040	19,925	(5,716)	501,462	1,856,949	7,196	1,864,145

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.

	<b>Share Capital</b>	<b>Fair Value Reserve</b>	<b>Other Reserve</b>	<b>Revenue Reserve</b>	<b>Total</b>
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b><u>The Company</u></b>					
<b>2009</b>					
Balance at 1 January 2009	239,541	(95)	1,798	143,913	385,157
Expensing of share options	-	-	101	-	101
Total comprehensive expense for the period	-	-	-	(1,704)	(1,704)
<b>Balance at 31 March 2009</b>	<b>239,541</b>	<b>(95)</b>	<b>1,899</b>	<b>142,209</b>	<b>383,554</b>
<b>2008</b>					
Balance at 1 January 2008	239,238	14	1,282	97,293	337,827
Expensing of share options	-	-	149	-	149
Total comprehensive income for the period	-	-	-	459	459
Balance at 31 March 2008	239,238	14	1,431	97,752	338,435

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 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.**

Since 31 December 2008, there were no ordinary shares issued pursuant to the exercise of share options. 339,000 share options were granted at \$3.71 per ordinary share on 2 March 2009.

The share capital of the Company as at 31 March 2009 comprised 197,454,654 ordinary shares. (31 December 2008: 197,454,654)

As at 31 March 2009, unissued shares under the share option scheme of the Company were as follows:

	<u>31/03/09</u>	<u>31/12/08</u>
The Haw Par Corporation Group 2002 Share Option Scheme	1,222,000	899,000
	<u>1,222,000</u>	<u>899,000</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 auditor.

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 and those as disclosed under paragraph 5.

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.**

On 1 January 2009, the Group adopted the new or revised Singapore Financial Standards (FRS) that are effective in this financial year.

FRS1(R) - Presentation of Financial Statements

FRS 1(R) requires all changes in equity arising from transactions with owners in their capacity as owners to be presented separately from components of comprehensive income. Components of comprehensive income are presented in a separate statement of comprehensive income.

As a result of the adoption of FRS 1(R), the statement of recognised income and expense is not required to be presented as it will be replaced by the statement of comprehensive income. A statement of changes in equity, showing all changes in equity including capitalisation issues and distributions to shareholders, will be presented.

Comparatives for 2008 have been presented to conform to the requirements of the revised standard.

The adoption of the above FRS did not result in any substantial change to the Group's accounting policy nor any significant impact on the financial statements.



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.

	<u>Group</u>	
	Period Ended 31 March 2009	2008
Earnings per ordinary share:		
(a) Based on the weighted average number of ordinary shares on issue	4.6 cts	4.4 cts
(b) On a fully diluted basis	4.6 cts	4.4 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.

	<u>Group</u>		<u>Company</u>	
	31/03/09	31/12/08	31/03/09	31/12/08
Net asset value per ordinary share (S\$)	5.70	6.69	1.94	1.95

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.**

Revenue for the Group grew 8.6% as compared with same period last year. This was attributable to growth in the Healthcare and Property divisions, partially offset by a reduction of 10.8% in Leisure. Excluding the one-off gain on disposal of Setron Building in 2008, profit before taxation for 1Q2009 increased by 29.8% from \$7.7m to \$10.0m. The lower tax expense arose from the reduction in Singapore corporate tax rate effective from the current year.

Healthcare division reported a 63.6% increase in profits over the preceding year. This was the result of higher revenue driven by intensified marketing efforts particularly focused on advertising campaigns in certain Asian markets, widening of product range and the increase in the number of distributive channels. Excluding the one off \$2.4m gain on disposal of Setron Building, the Property division saw a 36.6% increase in contribution mainly due to higher occupancy and rental rates. The Leisure division, however, reported a 14.3% decrease from 1Q2008 resulting from a decline in visitorship of our aquariums due to weak tourism climate. Improved investment earnings contributed marginally to overall profitability.

Net asset per share decreased from \$6.69 to \$5.70 mainly due to the 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 1Q 2009 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.**

The continued uncertain outlook of the economies of the countries in which we operate and the repercussions from the recent outbreak of the global influenza (Type A H1N1) may affect our operations, the duration and the extent of which are difficult to predict.



**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 31 March 2009

**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 3 months ended 31 March 2009 to be false or misleading.

**BY ORDER OF THE BOARD**

Zann Lim  
Company Secretary  
13 May 2009