

**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 2009**

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		
	2009	2008	+ / (-)	2009	2008	+ / (-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Revenue</b>	<b>30,924</b>	30,070	2.8	<b>59,030</b>	55,948	5.5
Cost of sales	(12,469)	(12,368)	0.8	(24,533)	(23,345)	5.1
<b>Gross profit</b>	<b>18,455</b>	17,702	4.3	<b>34,497</b>	32,603	5.8
Other income	31,579	37,886	(16.6)	32,758	41,010	(20.1)
Sales and marketing expenses	(5,408)	(6,012)	(10.0)	(10,195)	(10,906)	(6.5)
Warehouse and delivery expenses	(122)	(105)	16.2	(223)	(241)	(7.5)
General and administrative expenses	(2,551)	(3,690)	(30.9)	(5,110)	(6,814)	(25.0)
<b>Profit from operations</b>	<b>41,953</b>	45,781	(8.4)	<b>51,727</b>	55,652	(7.1)
Share of results of associated companies	148	2,875	(94.9)	386	3,164	(87.8)
<b>Profit before taxation</b>	<b>42,101</b>	48,656	(13.5)	<b>52,113</b>	58,816	(11.4)
Taxation	(1,947)	(1,541)	26.3	(2,818)	(2,802)	0.6
<b>Profit for the period</b>	<b>40,154</b>	47,115	(14.8)	<b>49,295</b>	56,014	(12.0)
<b>Attributable to:</b>						
Equity holders of the Company	40,126	47,068	(14.7)	49,174	55,830	(11.9)
Minority interests	28	47	(40.4)	121	184	(34.2)
	<b>40,154</b>	47,115	(14.8)	<b>49,295</b>	56,014	(12.0)

A consolidated statement of comprehensive income for the 2nd quarter and 6 months ended 30 June 2009:

	Group			Group		
	2nd Quarter ended 30 June			6 months Ended 30 June		
	2009	2008	+ / (-)	2009	2008	+ / (-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Profit for the period</b>	<b>40,154</b>	47,115	(14.8)	<b>49,295</b>	56,014	(12.0)
<b>Other comprehensive income/(expense), after tax</b>						
Fair value gains/(losses) on available-for-sale financial assets	415,376	(30,240)	N/M	208,057	(106,440)	N/M
Exchange differences on translation of the financial statements of foreign entities (net)	(3,387)	(2,726)	(24.2)	1,069	(5,617)	N/M
Equity accounting of associated company's translation reserve	-	3,785	(100.0)	-	3,785	(100.0)
<b>Other comprehensive income/(expense) for the period, net of tax</b>	<b>411,989</b>	(29,181)	N/M	<b>209,126</b>	(108,272)	N/M
<b>Total comprehensive income/(expense) for the period</b>	<b>452,143</b>	17,934	2,421.1	<b>258,421</b>	(52,258)	N/M
<b>Total comprehensive income/(expense) attributable to:</b>						
Equity holders of the Company	452,114	18,368	2,361.4	258,132	(52,121)	N/M
Minority interests	29	(434)	N/M	289	(137)	N/M
	<b>452,143</b>	17,934	2,421.1	<b>258,421</b>	(52,258)	N/M

N/M - not meaningful

**Note:**

For the six months ended 30 June 2009, 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 2009 becomes available.

The comparatives for 2nd quarter and six months ended 30 June 2008 have been updated for HHBP results in those periods.

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

	<b>Group</b>			<b>Group</b>		
	<b>2nd Quarter ended 30 June</b>			<b>6 months Ended 30 June</b>		
	<b>2009</b>	2008	+ / (-)	<b>2009</b>	2008	+ / (-)
	<b>S\$'000</b>	S\$'000	%	<b>S\$'000</b>	S\$'000	%
<b>(i) Other income</b>						
Investment income	30,944	36,993	(16.4)	31,269	36,993	(15.5)
Interest income	86	155	(44.5)	261	325	(19.7)
Gain on disposal of an investment property	-	-	-	-	2,445	(100.0)
Miscellaneous income	549	738	(25.6)	1,228	1,247	(1.5)
	<b>31,579</b>	<b>37,886</b>	<b>(16.6)</b>	<b>32,758</b>	<b>41,010</b>	<b>(20.1)</b>
<b>(ii) The following were charged/(credited) to the income statement :</b>						
Depreciation and amortisation	712	781	(8.8)	1,454	1,637	(11.2)
Inventories written down/(back), net	99	(8)	N/M	116	(3)	N/M
Foreign exchange loss, net	359	244	47.1	40	699	(94.3)
Prior years' (over)/underprovision of current taxation	(14)	(2)	(600.0)	(66)	5	N/M
Prior years' overprovision of deferred taxation	-	-	-	-	-	-
- Change in tax rate	-	-	-	(752)	-	N/M
Allowance for impairment in value of available-for-sale financial assets	-	301	(100.0)	-	301	(100.0)
<b>(iii) Segmental results</b>						
<u>Revenue</u>						
Healthcare	17,987	17,545	2.5	33,957	31,599	7.5
Leisure	8,287	8,748	(5.3)	15,815	17,184	(8.0)
Property	4,650	3,777	23.1	9,258	7,165	29.2
	<b>30,924</b>	<b>30,070</b>	<b>2.8</b>	<b>59,030</b>	<b>55,948</b>	<b>5.5</b>
<u>Profit from operations</u>						
Healthcare	3,638	3,351	8.6	7,322	5,603	30.7
Leisure	4,043	4,097	(1.3)	7,299	7,897	(7.6)
Property	3,929	3,100	26.7	7,595	8,228	(7.7)
Investments	30,999	36,763	(15.7)	31,471	36,852	(14.6)
Unallocated expenses	(656)	(1,530)	57.1	(1,960)	(2,928)	(33.1)
	<b>41,953</b>	<b>45,781</b>	<b>(8.4)</b>	<b>51,727</b>	<b>55,652</b>	<b>(7.1)</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>	
	<u>30/06/09</u>	31/12/08	<u>30/06/09</u>	31/12/08
	<u>S\$'000</u>	S\$'000	<u>S\$'000</u>	S\$'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	40,824	35,341	-	-
Investment properties	197,885	197,826	-	-
Investment in subsidiaries	-	-	389,573	389,573
Investment in associated companies	68,993	59,359	2,895	2,895
Available-for-sale financial assets	934,572	758,226	828	828
Intangible assets	11,116	11,116	-	-
	<u>1,253,390</u>	<u>1,061,868</u>	<u>393,296</u>	<u>393,296</u>
<b>Current assets</b>				
Available-for-sale financial assets	287,831	251,655	-	-
Inventories	6,748	6,558	-	-
Trade and other receivables	16,910	21,685	120,184	126,147
Tax recoverable	90	100	-	-
Deposits with banks and financial institutions	58,988	43,300	38,829	30,228
Cash and bank balances	12,718	23,785	858	1,101
	<u>383,285</u>	<u>347,083</u>	<u>159,871</u>	<u>157,476</u>
<b>Total assets</b>	<u>1,636,675</u>	<u>1,408,951</u>	<u>553,167</u>	<u>550,772</u>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	(27,396)	(33,131)	(196,271)	(165,500)
Taxation	(7,610)	(7,604)	(83)	(115)
	<u>(35,006)</u>	<u>(40,735)</u>	<u>(196,354)</u>	<u>(165,615)</u>
<b>Non-current liabilities</b>				
Deferred income taxation	(44,169)	(41,134)	-	-
	<u>(44,169)</u>	<u>(41,134)</u>	<u>-</u>	<u>-</u>
<b>Total liabilities</b>	<u>(79,175)</u>	<u>(81,869)</u>	<u>(196,354)</u>	<u>(165,615)</u>
<b>NET ASSETS</b>	<u>1,557,500</u>	<u>1,327,082</u>	<u>356,813</u>	<u>385,157</u>
<b>EQUITY</b>				
<b>Equity attributable to equity holders of the Company</b>				
Share capital	239,541	239,541	239,541	239,541
Reserves	1,310,653	1,080,524	117,272	145,616
	<u>1,550,194</u>	<u>1,320,065</u>	<u>356,813</u>	<u>385,157</u>
<b>Minority interests</b>	7,306	7,017	-	-
<b>Total equity</b>	<u>1,557,500</u>	<u>1,327,082</u>	<u>356,813</u>	<u>385,157</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 30/06/09		As at 31/12/08	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
-	-	-	-

**Amount repayable after one year**

As at 30/06/09		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		Group	
	2nd Quarter ended 30 June 2009	2008	6 months Ended 30 June 2009	2008
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Cash flows from operating activities:</b>				
Profit for the period	40,154	47,115	49,295	56,014
Adjustments for:				
Taxation	1,947	1,541	2,818	2,802
Share of results of an associated company	(148)	(2,875)	(386)	(3,164)
Gain on disposal of an investment property	-	-	-	(2,445)
Investment and interest income	(31,030)	(37,148)	(31,530)	(37,318)
Depreciation of property, plant and equipment	712	781	1,454	1,537
Expensing of share options	44	153	145	302
Property, plant and equipment written off	13	9	22	34
Inventories written down/(back), net	99	(8)	116	(3)
Amortisation of intangible assets	-	-	-	100
Allowance for impairment in value of available-for-sale financial assets	-	301	-	301
Translation (gains)/losses	(853)	(887)	42	(815)
<b>Operating profit before working capital changes</b>	<b>10,938</b>	<b>8,982</b>	<b>21,976</b>	<b>17,345</b>
Increase in inventories	(721)	(262)	(306)	(447)
(Increase)/decrease in trade and other receivables	(695)	(3,058)	4,757	2,716
Increase/(decrease) in trade and other payables	1,102	2,788	(5,735)	(1,711)
<b>Cash generated from operations</b>	<b>10,624</b>	<b>8,450</b>	<b>20,692</b>	<b>17,903</b>
Investment and interest income received	30,772	37,152	31,042	37,314
Net taxation paid	(2,562)	(2,134)	(3,431)	(2,999)
<b>Net cash provided by operating activities</b>	<b>38,834</b>	<b>43,468</b>	<b>48,303</b>	<b>52,218</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	(3,196)	(2,408)	(6,817)	(4,182)
Proceeds from sale of investment property	-	-	-	12,500
Purchase of minority interest in subsidiary	-	-	(505)	-
Investment in associated company	(8,637)	-	(8,637)	-
Improvements to investment properties	(78)	(11)	(80)	(21)
Proceeds from capital reduction of available-for-sale financial assets	-	898	-	898
<b>Net cash (used in)/generated from investing activities</b>	<b>(11,911)</b>	<b>(1,521)</b>	<b>(16,039)</b>	<b>5,454</b>
<b>Cash flows from financing activities:</b>				
Proceeds from issue of share capital	-	155	-	155
Payment of dividends to shareholders of the Company	(27,643)	(37,511)	(27,643)	(37,511)
Bank deposits pledged	(915)	-	(1,369)	-
<b>Net cash used in financing activities</b>	<b>(28,558)</b>	<b>(37,356)</b>	<b>(29,012)</b>	<b>(37,356)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(1,635)</b>	<b>4,591</b>	<b>3,252</b>	<b>20,316</b>
Cash and cash equivalents at beginning of the period	71,848	67,410	66,961	51,685
<b>Cash and cash equivalents at end of the period</b>	<b>70,213</b>	<b>72,001</b>	<b>70,213</b>	<b>72,001</b>
<b>Cash and cash equivalents comprised the following:</b>				
Cash and bank balances	12,718	24,303	12,718	24,303
Deposits with banks and financial institutions	58,988	47,698	58,988	47,698
Less: Bank deposits pledged for banker's guarantee	(1,493)	-	(1,493)	-
	<b>70,213</b>	<b>72,001</b>	<b>70,213</b>	<b>72,001</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							
	Share Capital	Fair Value Reserve	Other Reserve	Foreign Currency Translation Reserve	Revenue Reserve	Total	Minority Interests	Total Equity
	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	-	-	145	-	-	145	-	145
Purchase of minority interest in subsidiary	-	-	-	-	(505)	(505)	-	(505)
Dividends paid	-	-	-	-	(27,643)	(27,643)	-	(27,643)
Total comprehensive income for the period	-	208,057	-	901	49,174	258,132	289	258,421
<b>Balance at 30 June 2009</b>	<b>239,541</b>	<b>746,435</b>	<b>20,694</b>	<b>1,144</b>	<b>542,380</b>	<b>1,550,194</b>	<b>7,306</b>	<b>1,557,500</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
Issue of share capital	155	-	-	-	-	155	-	155
Expensing of share options	-	-	302	-	-	302	-	302
Dividends paid	-	-	-	-	(37,511)	(37,511)	-	(37,511)
Total comprehensive (expense)/income for the period	-	(106,440)	-	(1,511)	55,830	(52,121)	(137)	(52,258)
Balance at 30 June 2008	239,393	1,071,800	20,078	(4,176)	511,019	1,838,114	6,762	1,844,876

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.

	Share Capital	Fair Value Reserve	Other Reserve	Revenue Reserve	Total
	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	-	-	145	-	145
Dividends paid	-	-	-	(27,643)	(27,643)
Total comprehensive expense for the period	-	-	-	(846)	(846)
<b>Balance at 30 June 2009</b>	<b>239,541</b>	<b>(95)</b>	<b>1,943</b>	<b>115,424</b>	<b>356,813</b>
<b>2008</b>					
Balance at 1 January 2008	239,238	14	1,282	97,293	337,827
Issue of share capital	155	-	-	-	155
Expensing of share options	-	-	302	-	302
Dividends paid	-	-	-	(37,511)	(37,511)
Total comprehensive income for the period	-	-	-	183	183
Balance at 30 June 2008	239,393	14	1,584	59,965	300,956

- 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 March 2009, there were no ordinary shares issued pursuant to the exercise of share options.

The share capital of the Company as at 30 June 2009 comprised 197,454,654 ordinary shares.  
(31 December 2009: 197,454,654)

As at 30 June 2009, unissued shares under the share option scheme of the Company were as follows:

	<u>30/06/09</u>	<u>30/06/08</u>
The Haw Par Corporation Group 2002 Share Option Scheme	<b>1,146,000</b>	953,000
	<b><u>1,146,000</u></b>	<b><u>953,000</u></b>

- 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.

	Group		Group	
	6 months Ended 30 June 2009	2008	6 months Ended 30 June 2009	2008
Earnings per ordinary share:				
(a) Based on the weighted average number of ordinary shares on issue	<b>20.3 cts</b>	23.8 cts	<b>24.9 cts</b>	28.3 cts
(b) On a fully diluted basis	<b>20.3 cts</b>	23.8 cts	<b>24.9 cts</b>	28.3 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	
	30/06/09	31/12/08	30/06/09	31/12/08
Net asset value per ordinary share (S\$)	<b>7.85</b>	6.69	<b>1.81</b>	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.**

***2nd quarter ended 30 June 2009***

Profit from operations decreased by 8.4% to \$42.0m mainly due to lower investment income. Revenue for 2Q2009 was 2.8% higher, contributed by healthcare and property divisions, partially offset by lower revenue from leisure division.

Healthcare had 2.5% higher sales compared to last year. The higher sales, together with lower operating expenses, resulted in 8.6% higher profits in 2Q2008. Despite a 5.3% decline in revenue, profitability of leisure division remains almost on par with 2Q2008 with lower operating expenses. Property division reported 23.1% and 26.7% higher sales and profits respectively as compared to 2Q2008.

***6 months ended 30 June 2009***

Revenue for the Group increased by 5.5% to \$59.0m as compared to the same period last year. This was attributable to increases in the Healthcare and Property divisions, partially offset by a drop in sales of 8.0% in Leisure division. Excluding the one-off gain on disposal of Setron Building in 2008, profits from operations decreased by 2.8% from \$53.2m to \$51.7m due to lower investment income, partially offset by lower operating expenses. The share of profit from associates will be updated when the Hong Kong listed associate's results become available.

Healthcare division reported a 30.7% increase in profits over the preceding year. This was the result of higher revenue driven by intensified marketing efforts coupled with savings from lower operating expenses. Amidst the weak tourism climate, Leisure reported a 7.6% decrease in profits as compared with last year reflecting a decline in visitorship. Excluding the one-off \$2.4m gain on disposal of Setron Building in 2008, the Property division saw a 31.3% increase in profit contribution mainly due to higher occupancy and rental rates.

Net asset per share increased from \$6.69 to \$7.85 mainly due to the increase 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 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 Group continues to face challenges from the uncertain outlook of the economies of the countries in which we operate and the possible repercussions from the effects of influenza A, Type H1N1, becoming virulent. The Group will monitor the situation closely.

**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)

**(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)

**(c) Date payable**

First & Interim Dividend - 10 September 2009

**(d) Books closure date**

The Share Transfer Books and Register of Members of the Company will be closed on 1 September 2009. Duly completed transfers received by the Company's Share Registrar up to 5.00 pm on 31 August 2009 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 6 months ended 30 June 2009 to be false or misleading.

**BY ORDER OF THE BOARD**

Zann Lim  
Company Secretary  
14 August 2009