

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 2010

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

	Group		
	Period Ended 31 March		
	2010	2009	+ / (-)
	S\$'000	S\$'000	%
Revenue	30,098	28,106	7.1
Cost of sales	(12,634)	(12,064)	4.7
Gross profit	17,464	16,042	8.9
Other income	762	1,179	(35.4)
Sales and marketing expenses	(5,890)	(4,787)	23.0
Warehouse and delivery expenses	(94)	(101)	(6.9)
General and administrative expenses	(3,505)	(2,559)	37.0
Profit from operations	8,737	9,774	(10.6)
Share of results of an associated company	241	238	1.3
Profit before taxation	8,978	10,012	(10.3)
Taxation	(1,605)	(871)	84.3
Profit for the period	7,373	9,141	(19.3)
Attributable to:			
Equity holders of the Company	7,284	9,048	(19.5)
Minority interests	89	93	(4.3)
	7,373	9,141	(19.3)

A consolidated statement of comprehensive income for the quarter ended 31 March 2010:

	Group		
	Period Ended 31 March		
	2010	2009	+ / (-)
	S\$'000	S\$'000	%
Profit for the period	7,373	9,141	(19.3)
Other comprehensive (expense)/income, after tax			
Fair value losses on available-for-sale financial assets (net of tax)	(35,908)	(207,319)	82.7
Exchange differences on translation of the financial statements of foreign entities (net)	1,320	4,456	(70.4)
Other comprehensive expense for the period, net of tax	(34,588)	(202,863)	(83.0)
Total comprehensive expense for the period	(27,215)	(193,722)	(86.0)
Total comprehensive (expense)/income attributable to:			
Equity holders of the Company	(27,474)	(193,982)	(85.8)
Minority interests	259	260	(0.4)
	(27,215)	(193,722)	(86.0)

N/M - not meaningful

Note:

As the 20.93% 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 2009 and 2010.

1(a) Notes to the Income Statement

	Group		
	Period Ended 31 March		
	2010	2009	+ / (-)
	S\$'000	S\$'000	%
(i) Other income			
Investment income	266	325	(18.2)
Interest income	121	175	(30.9)
Miscellaneous income	375	679	(44.8)
	762	1,179	(35.4)
(ii) The following were charged/(credited) to the income statement :			
Depreciation	1,202	742	62.0
Inventories written down, net	8	17	(52.9)
Foreign exchange loss/(gain), net	44	(319)	N/M
Prior years' overprovision of current taxation	(67)	(52)	(28.8)
Prior years' under/(over)provision of deferred taxation	53	(752)	N/M
Gain on disposal of property, plant and equipment	(1)	-	N/M
(iii) Segmental results			
<u>Revenue</u>			
Healthcare	18,053	15,970	13.0
Leisure	8,149	7,528	8.2
Property	3,896	4,608	(15.5)
	30,098	28,106	7.1
<u>Profit from operations</u>			
Healthcare	3,871	3,684	5.1
Leisure	2,620	3,256	(19.5)
Property	3,065	3,666	(16.4)
Investments	365	472	(22.7)
Unallocated expenses	(1,184)	(1,304)	(9.2)
	8,737	9,774	(10.6)

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	
	31/03/10 S\$'000	31/12/09 S\$'000	31/03/10 S\$'000	31/12/09 S\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	45,450	45,367	-	-
Investment properties	165,908	164,878	-	-
Investment in subsidiaries	-	-	381,957	386,641
Investment in associated companies	73,079	72,837	2,895	2,895
Available-for-sale financial assets	1,188,607	1,217,708	431	431
Intangible assets	11,116	11,116	-	-
	1,484,160	1,511,906	385,283	389,967
Current assets				
Available-for-sale financial assets	371,769	379,715	-	-
Inventories	6,231	6,090	-	-
Trade and other receivables	16,682	18,538	135,319	138,204
Tax recoverable	121	124	-	-
Deposits with banks and financial institutions	70,835	64,059	55,409	48,502
Cash and bank balances	21,479	22,890	811	819
	487,117	491,416	191,539	187,525
Total assets	1,971,277	2,003,322	576,822	577,492
LIABILITIES				
Current liabilities				
Trade and other payables	(27,619)	(32,172)	(151,610)	(151,964)
Taxation	(7,872)	(6,924)	(17)	(73)
	(35,491)	(39,096)	(151,627)	(152,037)
Non-current liabilities				
Deferred income taxation	(52,778)	(54,279)	-	-
	(52,778)	(54,279)	-	-
Total liabilities	(88,269)	(93,375)	(151,627)	(152,037)
NET ASSETS	1,883,008	1,909,947	425,195	425,455
EQUITY				
Equity attributable to equity holders of the Company				
Share capital	239,747	239,541	239,747	239,541
Reserves	1,635,855	1,663,259	185,448	185,914
	1,875,602	1,902,800	425,195	425,455
Minority interests	7,406	7,147	-	-
Total equity	1,883,008	1,909,947	425,195	425,455

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

Amount repayable in one year or less, or on demand

As at 31/03/10		As at 31/12/09	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
-	-	-	-

Amount repayable after one year

As at 31/03/10		As at 31/12/09	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
-	-	-	-

Details of any collateral

The Group has provided certain investment properties, available-for-sale financial assets and fixed deposits to secure its banking credit facilities that stood unutilised as at 31 March 2010, except for trade financing and banker's guarantee for operational use.

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 2010 S\$'000	2009 S\$'000
Cash flows from operating activities:		
Profit for the period	7,373	9,141
Adjustments for:		
Taxation	1,605	871
Share of results of an associated company	(241)	(238)
Investment and interest income	(387)	(500)
Depreciation of property, plant and equipment	1,202	742
Expensing of share options	70	101
Property, plant and equipment written off	26	9
Gain on disposal of property, plant and equipment	(1)	-
Inventories written down, net	8	17
Translation losses	231	895
Operating profit before working capital changes	9,886	11,038
(Increase)/decrease in inventories	(149)	415
Decrease in trade and other receivables	1,858	5,452
Decrease in trade and other payables	(4,553)	(6,837)
Cash generated from operations	7,042	10,068
Investment and interest income received	118	270
Net taxation paid	(715)	(869)
Net cash provided by operating activities	6,445	9,469
Cash flows from investing activities:		
Purchase of property, plant and equipment	(1,134)	(3,621)
Proceeds from sale of property, plant and equipment	2	-
Purchase of minority interest in subsidiary	-	(505)
Improvements to investment properties	(160)	(2)
Net cash used in investing activities	(1,292)	(4,128)
Cash flows from financing activities:		
Proceeds from issue of share capital	206	-
Bank deposits pledged	-	(454)
Net cash provided by/(used in) financing activities	206	(454)
Net increase in cash and cash equivalents	5,359	4,887
Cash and cash equivalents at beginning of the period	85,458	66,961
Cash and cash equivalents at end of the period	90,817	71,848
Cash and cash equivalents comprised the following:		
Cash and bank balances	21,479	21,032
Deposits with banks and financial institutions	70,835	51,395
Less: Bank deposits pledged for banking facilities	(1,497)	(579)
	90,817	71,848

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 Holders of the Company							Total Equity S\$'000
	Share Capital S\$'000	Fair Value Reserve S\$'000	Other Reserve S\$'000	Foreign Currency Translation Reserve S\$'000	Revenue Reserve S\$'000	Total S\$'000	Minority Interests S\$'000	
The Group								
2010								
Balance at 1 January 2010	239,541	1,106,390	20,311	(4,484)	541,042	1,902,800	7,147	1,909,947
Issue of share capital	206	-	-	-	-	206	-	206
Expensing of share options	-	-	70	-	-	70	-	70
Total comprehensive (expense)/income for the period	-	(35,908)	-	1,150	7,284	(27,474)	259	(27,215)
Balance at 31 March 2010	239,747	1,070,482	20,381	(3,334)	548,326	1,875,602	7,406	1,883,008
2009								
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)
Balance at 31 March 2009	239,541	331,059	20,650	4,532	529,897	1,125,679	7,277	1,132,956

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 S\$'000	Fair Value Reserve S\$'000	Other Reserve S\$'000	Revenue Reserve S\$'000	Total S\$'000
<u>The Company</u>					
2010					
Balance at 1 January 2010	239,541	(22)	2,012	183,924	425,455
Issue of share capital	206	-	-	-	206
Expensing of share options	-	-	70	-	70
Total comprehensive expense for the period	-	-	-	(536)	(536)
Balance at 31 March 2010	239,747	(22)	2,082	183,388	425,195
2009					
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)
Balance at 31 March 2009	239,541	(95)	1,899	142,209	383,554

- 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 2009, 54,000 shares issued pursuant to the exercise of share options.

405,000 share options were granted at \$5.86 per ordinary share on 1 March 2010.

The share capital of the Company as at 31 March 2010 comprised 197,508,654 ordinary shares.
(31 December 2009: 197,454,654)

As at 31 March 2010, unissued shares under the share option scheme of the Company were as follows:

	<u>31/03/10</u>	<u>31/12/09</u>
The Haw Par Corporation Group 2002 Share Option Scheme	1,406,000	1,086,000
	<u>1,406,000</u>	<u>1,086,000</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.

- 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	
	Period Ended 31 March	
	2010	2009
Earnings per ordinary share:		
(a) Based on the weighted average number of ordinary shares on issue	3.7 cts	4.6 cts
(b) On a fully diluted basis	3.7 cts	4.6 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	
	31/03/10	31/12/09	31/03/10	31/12/09
Net asset value per ordinary share (S\$)	9.50	9.64	2.15	2.15

As at 31 March 2010, the Company had a total of 197,508,654 ordinary shares. (31 December 2009: 197,454,654)

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 increased by 7.1% to \$30.1m from 1Q2009, with higher sales generated by healthcare and leisure divisions. However, profit before taxation for 1Q2010 decreased by 10.3% to \$9.0m, with lower profits from leisure and property divisions. Taxation increased by 84.3% due to tax credit adjustments in 1Q2009 as a result of reduction in corporate tax rate to 17%.

With higher sales and margins, profitability of healthcare division reported a 5.1% increase to \$3.9m. Leisure division reported a 19.5% decrease in profit contribution to \$2.6m due to weaker performance in Underwater World Singapore and Chengdu Oceanarium. However, Underwater World Pattaya's results are maintained against last year. Property division reported a 16.4% decrease in profits to \$3.1m, in line with the decline in revenue as a result of lower rental rates and occupancy.

Net asset per share decreased marginally from \$9.64 to \$9.50 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 1Q 2010 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.**

Improving consumer confidence, if sustained, will benefit the healthcare division. The extent of such benefit will vary from market to market depending on the pace of economic recovery. On the other hand, the market environment will remain highly competitive and challenging for the leisure division, both locally and overseas. Property division will likely be adversely affected by the soft office rental market.

Given the many uncertainties, as illustrated by the Greek crisis, management remains cautious of the global economic outlook in the forthcoming months.

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 2010.

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 quarter ended 31 March 2010 to be false or misleading.

BY ORDER OF THE BOARD

Zann Lim
Company Secretary
13 May 2010