

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 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			Group		
	2nd Quarter Ended 2010	Ended 2009	30 June + / (-) %	6 months Ended 2010	Ended 2009	30 June + / (-) %
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	34,503	30,924	11.6	64,601	59,030	9.4
Cost of sales	(14,538)	(12,469)	16.6	(27,172)	(24,533)	10.8
Gross profit	19,965	18,455	8.2	37,429	34,497	8.5
Other income	34,371	31,579	8.8	35,133	32,758	7.3
Sales and marketing expenses	(6,628)	(5,408)	22.6	(12,518)	(10,195)	22.8
Warehouse and delivery expenses	(114)	(122)	(6.6)	(208)	(223)	(6.7)
General and administrative expenses	(3,884)	(2,551)	52.3	(7,389)	(5,110)	44.6
Profit from operations	43,710	41,953	4.2	52,447	51,727	1.4
Share of results of associated companies	221	2,868	(92.3)	462	3,106	(85.1)
Profit before taxation	43,931	44,821	(2.0)	52,909	54,833	(3.5)
Taxation	(2,074)	(1,947)	6.5	(3,679)	(2,818)	30.6
Profit for the period	41,857	42,874	(2.4)	49,230	52,015	(5.4)
Attributable to:						
Equity holders of the Company	41,820	42,846	(2.4)	49,104	51,894	(5.4)
Minority interests	37	28	32.1	126	121	4.1
	41,857	42,874	(2.4)	49,230	52,015	(5.4)

A consolidated statement of comprehensive income for the 2nd quarter and 6 months ended 30 June 2010:

	Group			Group		
	2nd Quarter Ended 2010	Ended 2009	30 June + / (-) %	6 months Ended 2010	Ended 2009	30 June + / (-) %
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Profit for the period	41,857	42,874	(2.4)	49,230	52,015	(5.4)
Other comprehensive income/(expense), after tax						
Fair value gains/(losses) on available-for-sale financial assets (net of tax)	15,572	415,376	(96.3)	(20,336)	208,057	N/M
Reclassification of fair value gains on disposal of available-for-sale financial assets	(1,413)	-	N/M	(1,413)	-	N/M
Currency exchange differences on translation of the financial statements of foreign entities (net)	(440)	(3,452)	(87.3)	880	1,004	(12.4)
Equity accounting of associated company's currency translation reserve	-	(1,614)	100.0	-	(1,614)	100.0
Other comprehensive income/(expense) for the period, net of tax	13,719	410,310	(96.7)	(20,869)	207,447	N/M
Total comprehensive income for the period	55,576	453,184	(87.7)	28,361	259,462	(89.1)
Total comprehensive income attributable to:						
Equity holders of the Company	55,540	453,155	(87.7)	28,066	259,173	(89.2)
Minority interests	36	29	24.1	295	289	2.1
	55,576	453,184	(87.7)	28,361	259,462	(89.1)

N/M - not meaningful

Note:

For the six months ended 30 June 2010, the Group has not accounted for the results of 17.34% owned associate, Hua Han Bio-Pharmaceutical Holdings Limited ("HHBP").

Further announcement will be made when HHBP's results for the year ended 30 June 2010 becomes available.

The comparatives for 2nd quarter and six months ended 30 June 2010 have been updated for HHBP results in those periods.

1(a) Notes to the Income Statement

	Group			Group		
	2nd Quarter Ended 30 June			6 months Ended 30 June		
	2010	2009	+ / (-)	2010	2009	+ / (-)
S\$'000	S\$'000	%	S\$'000	S\$'000	%	
(i) Other income						
Investment income	31,727	30,691	3.4	31,727	30,763	3.1
Interest income	255	339	(24.8)	642	767	(16.3)
Gain on disposal of available-for-sale financial assets	1,475	-	N/M	1,475	-	N/M
Write-back of allowance for impairment in value of available-for-sale financial assets	464	-	N/M	464	-	N/M
Miscellaneous income	450	549	(18.0)	825	1,228	(32.8)
	34,371	31,579	8.8	35,133	32,758	7.3
(ii) The following were charged/(credited) to the income statement :						
Depreciation	1,234	712	73.3	2,436	1,454	67.5
Inventories written down, net	61	99	(38.4)	69	116	(40.5)
Foreign exchange loss, net	105	359	(70.8)	149	40	272.5
Prior years' under/(over)provision of current taxation	58	(14)	N/M	(9)	(66)	(86.4)
Prior years' overprovision of deferred taxation	(53)	-	N/M	-	(752)	N/M
Gain on disposal of property, plant and equipment	(9)	-	N/M	(10)	-	N/M
(iii) Segmental results						
<u>Revenue</u>						
Healthcare	21,587	17,987	20.0	39,640	33,957	16.7
Leisure	9,014	8,287	8.8	17,163	15,815	8.5
Property	3,902	4,650	(16.1)	7,798	9,258	(15.8)
	34,503	30,924	11.6	64,601	59,030	9.4
<u>Profit from operations</u>						
Healthcare	4,748	3,638	30.5	8,619	7,322	17.7
Leisure	3,487	4,043	(13.8)	6,107	7,299	(16.3)
Property	2,841	3,929	(27.7)	5,906	7,595	(22.2)
Investments	33,895	30,999	9.3	34,260	31,471	8.9
Unallocated expenses	(1,261)	(656)	92.2	(2,445)	(1,960)	24.7
	43,710	41,953	4.2	52,447	51,727	1.4

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>30/06/10</u>	<u>31/12/09</u>	<u>30/06/10</u>	<u>31/12/09</u>
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	44,615	45,367	-	-
Investment properties	166,354	164,878	-	-
Investment in subsidiaries	-	-	381,957	386,641
Investment in associated companies	82,848	72,837	2,895	2,895
Available-for-sale financial assets	1,226,811	1,217,708	431	431
Intangible assets	11,116	11,116	-	-
	<u>1,531,744</u>	<u>1,511,906</u>	<u>385,283</u>	<u>389,967</u>
Current assets				
Available-for-sale financial assets	353,251	379,715	-	-
Inventories	7,246	6,090	-	-
Trade and other receivables	17,656	18,538	110,414	138,204
Tax recoverable	94	124	-	-
Deposits with banks and financial institutions	80,289	64,059	64,737	48,502
Cash and bank balances	21,706	22,890	1,062	819
	<u>480,242</u>	<u>491,416</u>	<u>176,213</u>	<u>187,525</u>
Total assets	<u>2,011,986</u>	<u>2,003,322</u>	<u>561,496</u>	<u>577,492</u>
LIABILITIES				
Current liabilities				
Trade and other payables	(28,933)	(32,172)	(161,999)	(151,964)
Taxation	(7,302)	(6,924)	(10)	(73)
	<u>(36,235)</u>	<u>(39,096)</u>	<u>(162,009)</u>	<u>(152,037)</u>
Non-current liabilities				
Deferred income taxation	(53,474)	(54,279)	-	-
	<u>(53,474)</u>	<u>(54,279)</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>(89,709)</u>	<u>(93,375)</u>	<u>(162,009)</u>	<u>(152,037)</u>
NET ASSETS	<u>1,922,277</u>	<u>1,909,947</u>	<u>399,487</u>	<u>425,455</u>
EQUITY				
Equity attributable to equity holders of the Company				
Share capital	240,790	239,541	240,790	239,541
Reserves	1,674,045	1,663,259	158,697	185,914
	<u>1,914,835</u>	<u>1,902,800</u>	<u>399,487</u>	<u>425,455</u>
Minority interests	7,442	7,147	-	-
Total equity	<u>1,922,277</u>	<u>1,909,947</u>	<u>399,487</u>	<u>425,455</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 30/06/10		As at 31/12/09	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
-	-	-	-

Amount repayable after one year

As at 30/06/10		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 30 June 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		Group	
	2nd Quarter Ended 2010	ended 30 2009	6 months Ended 2010	30 June 2009
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities:				
Profit for the period	41,857	42,874	49,230	52,015
Adjustments for:				
Taxation	2,074	1,947	3,679	2,818
Share of results of associated companies	(221)	(2,868)	(462)	(3,106)
Investment and interest income	(31,982)	(31,030)	(32,369)	(31,530)
Depreciation of property, plant and equipment	1,234	712	2,436	1,454
Expensing of share options	127	44	197	145
Property, plant and equipment written off	10	13	36	22
Inventories written down, net	61	99	69	116
Gain on disposal of available-for-sale financial assets	(1,475)	-	(1,475)	-
Gain on disposal of property, plant and equipment	(9)	-	(10)	-
Write-back of allowance for impairment in value of available-for-sale financial assets	(464)	-	(464)	-
Translation (gains)/losses	(33)	(853)	198	42
Operating profit before working capital changes	11,179	10,938	21,065	21,976
Increase in inventories	(1,076)	(721)	(1,225)	(306)
(Increase)/decrease in trade and other receivables	(958)	(695)	900	4,757
Increase/(decrease) in trade and other payables	1,314	1,102	(3,239)	(5,735)
Cash generated from operations	10,459	10,624	17,501	20,692
Investment and interest income received	6,276	30,772	6,394	31,042
Net taxation paid	(2,708)	(2,562)	(3,423)	(3,431)
Net cash provided by operating activities	14,027	38,834	20,472	48,303
Cash flows from investing activities:				
Purchase of property, plant and equipment	(487)	(3,196)	(1,621)	(6,817)
Proceeds received from disposal of available-for-sale financial assets	22,399	-	22,399	-
Proceeds from capital distribution of available-for-sale financial assets	464	-	464	-
Proceeds from sale of property, plant and equipment	8	-	10	-
Purchase of minority interest in subsidiary	-	-	-	(505)
Investment in associated company	-	(8,637)	-	(8,637)
Improvements to investment properties	(90)	(78)	(250)	(80)
Net cash generated/(used in) from investing activities	22,294	(11,911)	21,002	(16,039)
Cash flows from financing activities:				
Proceeds from issue of share capital	1,043	-	1,249	-
Payment of dividends to shareholders of the Company	(27,684)	(27,643)	(27,684)	(27,643)
Bank deposits pledged	(26)	(915)	(26)	(1,369)
Net cash used in financing activities	(26,667)	(28,558)	(26,461)	(29,012)
Net increase/(decrease) in cash and cash equivalents	9,654	(1,635)	15,013	3,252
Cash and cash equivalents at beginning of the period	90,817	71,848	85,458	66,961
Cash and cash equivalents at end of the period	100,471	70,213	100,471	70,213
Cash and cash equivalents comprised the following:				
Cash and bank balances	21,706	12,718	21,706	12,718
Deposits with banks and financial institutions	80,289	58,988	80,289	58,988
Less: Bank deposits pledged for banker's guarantee	(1,524)	(1,493)	(1,524)	(1,493)
	100,471	70,213	100,471	70,213

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 S\$'000
	Share Capital S\$'000	Fair Value Reserve S\$'000	Other Reserve S\$'000	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	1,249	-	-	-	-	1,249	-	1,249
Expensing of share options	-	-	197	-	-	197	-	197
Dilution in associated company	-	-	-	-	10,207	10,207	-	10,207
Dividends paid	-	-	-	-	(27,684)	(27,684)	-	(27,684)
Total comprehensive (expense)/income for the period	-	(21,749)	-	711	49,104	28,066	295	28,361
Balance at 30 June 2010	240,790	1,084,641	20,508	(3,773)	572,669	1,914,835	7,442	1,922,277
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	-	-	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	-	(778)	51,894	259,173	289	259,462
Balance at 30 June 2009	239,541	746,435	20,694	(535)	545,100	1,551,235	7,306	1,558,541

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
<u>The Company</u>					
2010					
Balance at 1 January 2010	239,541	(22)	2,012	183,924	425,455
Issue of share capital	1,249	-	-	-	1,249
Expensing of share options	-	-	197	-	197
Dividends paid	-	-	-	(27,684)	(27,684)
Total comprehensive income for the period	-	-	-	270	270
Balance at 30 June 2010	240,790	(22)	2,209	156,510	399,487
2009					
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)
Balance at 30 June 2009	239,541	(95)	1,943	115,424	356,813

- 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 2010, 244,000 shares were issued pursuant to the exercise of share options.

The share capital of the Company as at 30 June 2010 comprised 197,752,654 ordinary shares.
(31 December 2009 : 197,454,654)

As at 30 June 2010, unissued shares under the share option scheme of the Company were as follows:

	<u>30/06/10</u>	<u>31/12/09</u>
The Haw Par Corporation Group 2002 Share Option Scheme	1,162,000	1,086,000
	<u>1,162,000</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		Group	
	2nd Quarter Ended 30 June 2010	2009	6 months Ended 30 June 2010	2009
Earnings per ordinary share:				
(a) Based on the weighted average number of ordinary shares on issue	21.2 cts	21.7 cts	24.8 cts	26.3 cts
(b) On a fully diluted basis	21.2 cts	21.7 cts	24.8 cts	26.3 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	
	30/06/10	31/12/09	30/06/10	31/12/09
Net asset value per ordinary share (S\$)	9.68	9.64	2.02	2.15

As at 30 June 2010, the Company had a total of 197,752,654 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.**

2nd quarter ended 30 June 2010

Revenue for 2Q2010 of \$34.5m was 11.6% higher, largely contributed by Healthcare and Leisure divisions. Profit from operations increased by 4.2% to \$43.7m mainly due to higher investment income.

Healthcare achieved 20.0% higher sales to \$21.6m compared to \$18.0m last year. The higher sales, together with lower operating expenses, resulted in 30.5% higher profits from 2Q2009 to \$4.7m. Profits of Leisure division decreased by 13.8% to \$3.5m from last year due to higher operating expenses. Property division reported 16.1% and 27.7% lower sales and profits to \$3.9m and \$2.8m respectively as compared to 2Q2009 amidst a soft office rental market.

6 months ended 30 June 2010

Revenue for the Group increased by 9.4% to \$64.6m as compared to 6M2009. This was mainly attributable to increases in the Healthcare and Leisure divisions. Profits from operations increased by 1.4% from \$51.7m to \$52.4m due to higher investment income, partially offset by lower profits from operations. The share of profit from associates will be updated when the Hong Kong listed associate's results become available.

Driven by increase in sales from most regions and new product launches, Healthcare division reported a 17.7% improvement in profits over the preceding year. Leisure reported a 16.3% decrease in profits as compared with last year due to higher operating expenses. Property division saw a 22.2% decline in profit contribution mainly due to lower occupancy and rental rates, as well as higher operating expenses.

Net asset per share increased from \$9.64 to \$9.68 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 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.**

Sustained economic recovery across a broad front should benefit all operating units including investments. There would be pockets of weaknesses such as the over-supply of rental office space and the initial startup efforts at Chengdu Oceanarium which could undermine performance of Leisure and Property divisions.

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 - 9 September 2010

(d) Books closure date

The Share Transfer Books and Register of Members of the Company will be closed on 27 August 2010. Duly completed transfers received by the Company's Share Registrar up to 5.00 pm on 26 August 2010 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 2010 to be false or misleading.

BY ORDER OF THE BOARD

Zann Lim
Company Secretary
5 August 2010