

**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 2011**

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>		
	2011 S\$'000	2010 S\$'000	+ / (-) %
<b>Revenue</b>	<b>33,268</b>	30,098	10.5
Cost of sales	<b>(15,739)</b>	(12,634)	24.6
<b>Gross profit</b>	<b>17,529</b>	17,464	0.4
Other income	<b>462</b>	762	(39.4)
Sales and marketing expenses	<b>(6,878)</b>	(6,247)	10.1
Warehouse and delivery expenses	<b>(102)</b>	(94)	8.5
General and administrative expenses	<b>(3,479)</b>	(3,148)	10.5
<b>Profit from operations</b>	<b>7,532</b>	8,737	(13.8)
Share of results of associated companies	<b>447</b>	241	85.5
<b>Profit before taxation</b>	<b>7,979</b>	8,978	(11.1)
Taxation	<b>(1,199)</b>	(1,605)	(25.3)
<b>Profit for the period, net of tax</b>	<b>6,780</b>	7,373	(8.0)
<b>Attributable to:</b>			
Equity holders of the Company	<b>6,564</b>	7,284	(9.9)
Non-controlling interests	<b>216</b>	89	142.7
	<b>6,780</b>	7,373	(8.0)

A consolidated statement of comprehensive income for the quarter ended 31 March 2011:

	<b>Group</b>		
	<b>Period Ended 31 March</b>		
	2011 S\$'000	2010 S\$'000	+ / (-) %
<b>Profit for the period, net of tax</b>	<b>6,780</b>	7,373	(8.0)
<b>Other comprehensive income/(expense), after tax</b>			
Fair value gains/(losses) on available-for-sale financial assets (net)	<b>59,184</b>	(35,908)	N/M
Currency translation differences on consolidation of foreign entities (net)	<b>(5,389)</b>	1,320	N/M
<b>Other comprehensive income/(expense) for the period, net of tax</b>	<b>53,795</b>	(34,588)	N/M
<b>Total comprehensive income/(expense) for the period</b>	<b>60,575</b>	(27,215)	N/M
<b>Total comprehensive income/(expense) attributable to:</b>			
Equity holders of the Company	<b>60,710</b>	(27,474)	N/M
Non-controlling interests	<b>(135)</b>	259	N/M
	<b>60,575</b>	(27,215)	N/M

N/M - not meaningful

*Note:*

As the 17.18% (Q1 2010: 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 2010 and 2011.

Certain comparatives figures have been reclassified to conform to the current year's presentation.

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

	<b>Group</b>		
	<b>Period Ended 31 March</b>		
	<b>2011</b>	2010	+ / (-)
	<b>S\$'000</b>	S\$'000	%
<b>(i) Other income</b>			
Investment income	-	266	(100.0)
Interest income	<b>104</b>	121	(14.0)
Miscellaneous income	<b>358</b>	375	(4.5)
	<b>462</b>	762	(39.4)
<b>(ii) The following were charged/(credited) to the income statement :</b>			
Depreciation	<b>1,292</b>	1,202	7.5
Inventories written down	<b>10</b>	8	25.0
Foreign exchange loss, net	<b>629</b>	44	1,329.5
Prior years' overprovision of current taxation	<b>(619)</b>	(67)	(823.9)
Prior years' underprovision of deferred taxation	<b>53</b>	53	-
Property, plant and equipment written off	<b>14</b>	26	(46.2)
Gain on disposal of property, plant and equipment	<b>(4)</b>	(1)	(300.0)
<b>(iii) Segmental results</b>			
<u>Revenue</u>			
Healthcare	<b>21,255</b>	18,053	17.7
Leisure	<b>7,817</b>	8,149	(4.1)
Property	<b>4,196</b>	3,896	7.7
	<b>33,268</b>	30,098	10.5
<u>Profit from operations</u>			
Healthcare	<b>3,436</b>	3,871	(11.2)
Leisure	<b>2,271</b>	2,620	(13.3)
Property	<b>3,285</b>	3,065	7.2
Investments	<b>(20)</b>	353	N/M
Unallocated expenses	<b>(1,440)</b>	(1,172)	22.9
	<b>7,532</b>	8,737	(13.8)

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	
	31/03/11 S\$'000	31/12/10 S\$'000	31/03/11 S\$'000	31/12/10 S\$'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	44,287	43,848	-	-
Investment properties	181,449	181,642	-	-
Investment in subsidiaries	-	-	381,957	381,957
Investment in associated companies	88,463	91,702	2,895	2,895
Available-for-sale financial assets	1,290,174	1,239,779	455	455
Intangible assets	11,116	11,116	-	-
	<b>1,615,489</b>	<b>1,568,087</b>	<b>385,307</b>	<b>385,307</b>
<b>Current assets</b>				
Available-for-sale financial assets	345,533	335,082	-	-
Inventories	8,249	9,275	-	-
Trade and other receivables	19,211	18,597	104,554	107,442
Tax recoverable	-	4	-	-
Deposits with banks and financial institutions	95,667	87,579	79,878	71,017
Cash and bank balances	18,716	23,780	1,282	1,085
	<b>487,376</b>	<b>474,317</b>	<b>185,714</b>	<b>179,544</b>
<b>Total assets</b>	<b>2,102,865</b>	<b>2,042,404</b>	<b>571,021</b>	<b>564,851</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	(28,138)	(31,831)	(155,996)	(150,587)
Taxation	(8,856)	(7,388)	(229)	(198)
	<b>(36,994)</b>	<b>(39,219)</b>	<b>(156,225)</b>	<b>(150,785)</b>
<b>Non-current liabilities</b>				
Deferred income taxation	(55,163)	(53,536)	-	-
	<b>(55,163)</b>	<b>(53,536)</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>(92,157)</b>	<b>(92,755)</b>	<b>(156,225)</b>	<b>(150,785)</b>
<b>NET ASSETS</b>	<b>2,010,708</b>	<b>1,949,649</b>	<b>414,796</b>	<b>414,066</b>
<b>EQUITY</b>				
<b>Equity attributable to equity holders of the Company</b>				
Share capital	241,752	241,355	241,752	241,355
Reserves	1,761,335	1,700,538	173,044	172,711
	<b>2,003,087</b>	<b>1,941,893</b>	<b>414,796</b>	<b>414,066</b>
<b>Non-controlling interests</b>	<b>7,621</b>	<b>7,756</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>	<b>2,010,708</b>	<b>1,949,649</b>	<b>414,796</b>	<b>414,066</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 31/03/11		As at 31/12/10	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
-	-	-	-

Amount repayable after one year

As at 31/03/11		As at 31/12/10	
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 2011, 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 2011 S\$'000	2010 S\$'000
<b>Cash flows from operating activities:</b>		
Profit for the period, net of tax	6,780	7,373
Adjustments for:		
Taxation	1,199	1,605
Share of results of associated companies	(447)	(241)
Investment and interest income	(104)	(387)
Depreciation of property, plant and equipment	1,292	1,202
Expensing of share options	87	70
Property, plant and equipment written off	14	26
Gain on disposal of property, plant and equipment	(4)	(1)
Inventories written down, net	10	8
Translation losses	248	104
<b>Operating profit before working capital changes</b>	<b>9,075</b>	<b>9,759</b>
Decrease/(increase) in inventories	1,016	(149)
(Increase)/decrease in trade and other receivables	(1,998)	1,858
Decrease in trade and other payables	(3,693)	(4,553)
<b>Cash generated from operations</b>	<b>4,400</b>	<b>6,915</b>
Investment and interest income received	80	118
Net taxation refunded/(paid)	193	(715)
<b>Net cash provided by operating activities</b>	<b>4,673</b>	<b>6,318</b>
<b>Cash flows from investing activities:</b>		
Purchase of property, plant and equipment	(2,455)	(1,134)
Dividends received from an associated company	1,409	-
Proceeds from sale of property, plant and equipment	47	2
Improvements to investment properties	(74)	(160)
<b>Net cash used in investing activities</b>	<b>(1,073)</b>	<b>(1,292)</b>
<b>Cash flows from financing activity:</b>		
Proceeds from issue of share capital	397	206
<b>Net cash provided by financing activity</b>	<b>397</b>	<b>206</b>
<b>Net increase in cash and cash equivalents</b>	<b>3,997</b>	<b>5,232</b>
Cash and cash equivalents at beginning of the period	109,837	85,458
Effects of currency translation on cash and cash equivalents	(972)	127
<b>Cash and cash equivalents at end of the period</b>	<b>112,862</b>	<b>90,817</b>
<b>Cash and cash equivalents comprised the following:</b>		
Cash and bank balances	18,716	21,479
Deposits with banks and financial institutions	95,667	70,835
Less: Bank deposits pledged for banking facilities	(1,521)	(1,497)
	<b>112,862</b>	<b>90,817</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.

	← Atributable to Equity Holders of the Company →							
	Share Capital	Fair Value Reserve	Other Reserve	Currency Translation Reserve	Revenue Reserve	Total	Non-controlling Interests	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>The Group</b>								
<b>2011</b>								
Balance at 1 January 2011	241,355	1,073,321	20,761	(6,512)	612,968	1,941,893	7,756	1,949,649
Issue of share capital	397	-	-	-	-	397	-	397
Expensing of share options	-	-	87	-	-	87	-	87
Total comprehensive income/(expense) for the period	-	59,184	-	(5,038)	6,564	60,710	(135)	60,575
<b>Balance at 31 March 2011</b>	<b>241,752</b>	<b>1,132,505</b>	<b>20,848</b>	<b>(11,550)</b>	<b>619,532</b>	<b>2,003,087</b>	<b>7,621</b>	<b>2,010,708</b>
<b>2010</b>								
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

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
	\$'000	\$'000	\$'000	\$'000	\$'000
<b><u>The Company</u></b>					
<b>2011</b>					
Balance at 1 January 2011	241,355	1	2,462	170,248	414,066
Issue of share capital	397	-	-	-	397
Expensing of share options	-	-	87	-	87
Total comprehensive income for the period	-	-	-	246	246
<b>Balance at 31 March 2011</b>	<b>241,752</b>	<b>1</b>	<b>2,549</b>	<b>170,494</b>	<b>414,796</b>
<b>2010</b>					
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)
<b>Balance at 31 March 2010</b>	<b>239,747</b>	<b>(22)</b>	<b>2,082</b>	<b>183,388</b>	<b>425,195</b>

- 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 2010, 72,000 shares issued pursuant to the exercise of share options.

419,000 share options were granted at \$6.09 per ordinary share on 1 March 2011.

The share capital of the Company as at 31 March 2011 comprised 197,951,654 ordinary shares.  
(31 December 2010: 197,879,654)

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

	<u>31/03/11</u>	<u>31/12/10</u>
The Haw Par Corporation Group 2002 Share Option Scheme	1,339,000	993,000
	<u>1,339,000</u>	<u>993,000</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.

	<u>Group</u>	
	<u>Period Ended 31 March</u>	
	2011	2010
Earnings per ordinary share:		
(a) Based on the weighted average number of ordinary shares on issue	3.3 cts	3.7 cts
(b) On a fully diluted basis	3.3 cts	3.7 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>	
	31/03/11	31/12/10	31/03/11	31/12/10
Net asset value per ordinary share (S\$)	10.12	9.81	2.10	2.09

As at 31 March 2011, the Company had a total of 197,951,654 ordinary shares (31 December 2010: 197,879,654).

**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 10.5% to \$33.3m from 1Q2010, with higher sales generated by Healthcare and Property divisions. However, profit before taxation for 1Q2011 decreased by 11.1% to \$8.0m, due to lower gross margins and higher operating expenses.

Turnover at Healthcare division increased 17.7% to \$21.3m with higher sales to most of the key markets in Europe, Middle East and Asia regions. However, profitability of healthcare division decreased by 11.2% to \$3.4m due to lower margins and foreign exchange losses arising from a stronger Singapore dollar. Leisure division reported a 13.3% decrease in profit contribution to \$2.3m due to lower visitorship and higher operating expenses. Property division reported a 7.2% increase in profits to \$3.3m, mainly due to higher occupancy in the properties.

Net asset per share increased from \$9.81 to \$10.12, mainly due to an 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 Q1 2011 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.**

Despite the growth potential in many Asian economies, the outlook is plagued with concerns over the adverse impact of inflation among other uncertainties. Although a strong Singapore dollar will alleviate partially the rising costs, it will hurt export sales of the Healthcare division. Rising costs will add to the competitive pressures on the Leisure division, thereby further trimming profits. Notwithstanding the oversupply situation in the commercial property segment, we are confident in maintaining existing occupancy rates.



**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 2011.

**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 2011 to be false or misleading.

**BY ORDER OF THE BOARD**

Zann Lim  
Company Secretary  
11 May 2011