

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 2012

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		
	2012	2011	+ / (-)
	S\$'000	S\$'000	%
Revenue	32,407	33,268	(2.6)
Cost of sales	(13,721)	(15,739)	(12.8)
Gross profit	18,686	17,529	6.6
Other income	849	462	83.8
Sales and marketing expenses	(7,651)	(6,878)	11.2
Warehouse and delivery expenses	(165)	(102)	61.8
General and administrative expenses	(3,217)	(3,479)	(7.5)
Finance expenses	(52)	-	-
Profit from operations	8,450	7,532	12.2
Share of results of associated companies	283	447	(36.7)
Profit before taxation	8,733	7,979	9.4
Taxation	(1,441)	(1,199)	20.2
Profit for the period, net of tax	7,292	6,780	7.6
Attributable to:			
Equity holders of the Company	7,292	6,564	11.1
Non-controlling interests	-	216	(100.0)
	7,292	6,780	7.6

A consolidated statement of comprehensive income for the quarter ended 31 March 2012:

	Group		
	Period Ended 31 March		
	2012	2011	+ / (-)
	S\$'000	S\$'000	%
Profit for the period, net of tax	7,292	6,780	7.6
Other comprehensive income/(expense), after tax			
Fair value gains on available-for-sale financial assets (net)	237,320	59,184	301.0
Currency translation differences on consolidation of foreign entities (net)	(3,727)	(5,389)	30.8
Other comprehensive income for the period, net of tax	233,593	53,795	334.2
Total comprehensive income for the period	240,885	60,575	297.7
Total comprehensive income/(expense) attributable to:			
Equity holders of the Company	240,885	60,710	296.8
Non-controlling interests	-	(135)	100.0
	240,885	60,575	297.7

N/M - not meaningful

Note:

As the 16.6% (Q1 2011: 17.2%) 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 included the results of HHBP for the quarters ended 31 March 2011 and 2012.

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

1(a) Notes to the Income Statement

	Group		
	Period Ended 31 March		
	2012	2011	+ / (-)
	S\$'000	S\$'000	%
(i) Other income			
Investment income	141	-	-
Interest income	318	104	205.8
Miscellaneous income	390	358	8.9
	849	462	83.8
(ii) The following were charged/(credited) to the income statement :			
Interest on borrowings	52	-	-
Depreciation	1,070	1,292	(17.2)
Inventories written down	11	10	10.0
Foreign exchange loss, net	292	629	(53.6)
Prior years' overprovision of current taxation	(302)	(619)	51.2
Prior years' underprovision of deferred taxation	39	53	(26.4)
Property, plant and equipment written off	23	14	64.3
Loss/(gain) on disposal of property, plant and equipment	25	(4)	N/M
(iii) Segmental results			
<u>Revenue</u>			
Healthcare	20,821	21,255	(2.0)
Leisure	7,241	7,774	(6.9)
Property	4,345	4,239	2.5
	32,407	33,268	(2.6)
<u>Profit from operations</u>			
Healthcare	3,358	3,436	(2.3)
Leisure	2,549	2,233	14.2
Property	3,539	3,323	6.5
Investments	305	(20)	N/M
Unallocated expenses	(1,301)	(1,440)	(9.7)
	8,450	7,532	12.2

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	
	31/03/12 S\$'000	31/12/11 S\$'000 (Restated)	31/12/10 S\$'000 (Restated)	31/03/12 S\$'000	31/12/11 S\$'000
ASSETS					
Non-current assets					
Property, plant and equipment	37,413	37,865	43,848	-	-
Investment properties	187,036	187,039	181,642	-	-
Investment in subsidiaries	-	-	-	381,957	381,957
Investment in associated companies	97,856	100,468	91,702	2,895	2,895
Available-for-sale financial assets	1,313,401	1,117,520	1,239,779	427	427
Intangible assets	11,116	11,116	11,116	-	-
	1,646,822	1,454,008	1,568,087	385,279	385,279
Current assets					
Available-for-sale financial assets	360,770	304,161	335,082	-	-
Inventories	9,283	8,379	9,275	-	-
Trade and other receivables	22,549	21,017	18,597	124,523	135,289
Tax recoverable	-	-	4	-	-
Deposits with banks and financial institutions	69,649	72,952	87,579	60,376	55,719
Cash and bank balances	21,524	16,023	23,780	2,595	1,239
	483,775	422,532	474,317	187,494	192,247
Total assets	2,130,597	1,876,540	2,042,404	572,773	577,526
LIABILITIES					
Current liabilities					
Trade and other payables	(31,305)	(34,142)	(31,831)	(119,960)	(130,751)
Taxation	(7,183)	(6,393)	(7,388)	(310)	(310)
Borrowings	(17,993)	(12,407)	-	(17,993)	(12,407)
	(56,481)	(52,942)	(39,219)	(138,263)	(143,468)
Non-current liabilities					
Deferred income taxation	(44,118)	(34,628)	(43,537)	-	-
	(44,118)	(34,628)	(43,537)	-	-
Total liabilities	(100,599)	(87,570)	(82,756)	(138,263)	(143,468)
NET ASSETS	2,029,998	1,788,970	1,959,648	434,510	434,058
EQUITY					
Equity attributable to equity holders of the Company					
Share capital	242,221	242,127	241,355	242,221	242,127
Reserves	1,787,777	1,546,843	1,710,537	192,289	191,931
	2,029,998	1,788,970	1,951,892	434,510	434,058
Non-controlling interests	-	-	7,756	-	-
Total equity	2,029,998	1,788,970	1,959,648	434,510	434,058

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

Amount repayable in one year or less, or on demand

As at 31/03/12		As at 31/12/11	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
17,993	-	12,407	-

Amount repayable after one year

As at 31/03/12		As at 31/12/11	
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 borrowings and credit facilities.

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 2012 S\$'000	2011 S\$'000
Cash flows from operating activities:		
Profit for the period, net of tax	7,292	6,780
Adjustments for:		
Taxation	1,441	1,199
Share of results of associated companies	(283)	(447)
Investment income	(141)	-
Interest income	(318)	(104)
Finance expenses	52	-
Depreciation of property, plant and equipment	1,070	1,292
Expensing of share options	49	87
Property, plant and equipment written off	23	14
Loss/(gain) on disposal of property, plant and equipment	25	(4)
Inventories written down, net	11	10
Currency translation losses	455	248
Operating profit before working capital changes	9,676	9,075
(Increase)/decrease in inventories	(915)	1,016
Increase in trade and other receivables	(3,177)	(1,998)
Decrease in trade and other payables	(1,960)	(3,693)
Cash generated from operations	3,624	4,400
Investment income received	96	1
Interest income received	379	79
Interest expense paid	(79)	-
Net taxation (paid)/refunded	(1,931)	193
Net cash provided by operating activities	2,089	4,673
Cash flows from investing activities:		
Purchase of available-for-sale financial assets	(5,996)	-
Improvements to investment properties	(175)	(74)
Purchase of property, plant and equipment	(1,173)	(2,455)
Proceeds from sale of property, plant and equipment	-	47
Dividends from an associated company	1,905	1,409
Net cash used in investing activities	(5,439)	(1,073)
Cash flows from financing activities:		
Proceeds from issue of share capital	94	397
Proceeds from borrowings	5,997	-
Net cash provided by financing activities	6,091	397
Net increase in cash and cash equivalents	2,741	3,997
Cash and cash equivalents at beginning of the financial year	87,430	109,837
Effects of currency translation on cash and cash equivalents	(543)	(972)
Cash and cash equivalents at end of the financial year	89,628	112,862
Cash and cash equivalents comprised the following:		
Cash and bank balances	21,524	18,716
Deposits with banks and financial institutions	69,649	95,667
Less: Bank deposits pledged for banker's guarantee	(1,545)	(1,521)
	89,628	112,862

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 →						Non-controlling Interests	Total Equity
	Share Capital	Fair Value Reserve	Other Reserve	Foreign Currency Translation Reserve	Revenue Reserve	Total		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
The Group								
2012								
Balance at 1 January 2012, as previously reported	242,127	864,675	21,461	(4,308)	655,979	1,779,934	-	1,779,934
Effects of adopting Amendments to FRS 12	-	-	-	-	9,036	9,036	-	9,036
Balance at 1 January 2012, as restated	242,127	864,675	21,461	(4,308)	665,015	1,788,970	-	1,788,970
Issue of share capital	94	-	-	-	-	94	-	94
Expensing of share options	-	-	49	-	-	49	-	49
Total comprehensive income/(expense) for the period	-	237,320	-	(3,727)	7,292	240,885	-	240,885
Balance at 31 March 2012	242,221	1,101,995	21,510	(8,035)	672,307	2,029,998	-	2,029,998
2011								
Balance at 1 January 2011, as previously reported	241,355	1,073,321	20,761	(6,512)	612,968	1,941,893	7,756	1,949,649
Effects of adopting Amendments to FRS 12	-	-	-	-	9,999	9,999	-	9,999
Balance at 1 January 2011, as restated	241,355	1,073,321	20,761	(6,512)	622,967	1,951,892	7,756	1,959,648
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
Balance at 31 March 2011	241,752	1,132,505	20,848	(11,550)	629,531	2,013,086	7,621	2,020,707

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 \$'000	Fair Value Reserve \$'000	Other Reserve \$'000	Revenue Reserve \$'000	Total \$'000
<u>The Company</u>					
2012					
Balance at 1 January 2012	242,127	(27)	2,736	189,222	434,058
Issue of share capital	94	-	-	-	94
Expensing of share options	-	-	49	-	49
Total comprehensive income for the period	-	-	-	309	309
Balance at 31 March 2012	242,221	(27)	2,785	189,531	434,510
2011					
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
Balance at 31 March 2011	241,752	1	2,549	170,494	414,796

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 2011, 16,000 shares were issued pursuant to the exercise of share options.

442,000 share options were granted at \$5.95 per ordinary share on 1 March 2012.

As at 31 March 2012, unissued shares under the share option scheme of the Company were as follows:

	<u>31/03/12</u>	<u>31/12/11</u>
The Haw Par Corporation Group 2002 Share Option Scheme	1,180,000	1,239,000
	<u>1,180,000</u>	<u>1,239,000</u>

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	<u>31/03/12</u>	<u>31/12/11</u>
Total number of issued shares	198,031,654	198,015,654

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable

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 as stated in Note 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 2012, the Group adopted the amendments to FRS 12 Income Taxes which are relevant and effective for annual periods beginning on or after 1 January 2012.

The amendment introduces a presumption that an investment property is recoverable through its sale. Previously, the Group had recognised deferred tax liability on revaluation of its investment properties.

Under the amendment, the deferred tax liabilities on the Group's investment properties will be recognised on the basis of recovery through sale. This change in accounting policy has been applied retrospectively. Accordingly, the comparatives have been restated. However, there is no impact on the 1Q2011 results, as there were no changes in fair value of investment properties during the quarter.

The effects on the comparatives arising from the adoption of the amendments to FRS 12 are as follows:

Effect on consolidated statement of financial position

	Group	
	31/12/2011	31/12/2010
	S\$'000	S\$'000
Increase in revenue reserves	9,036	9,999
Decrease in deferred income taxation	(9,036)	(9,999)

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	
	2012	2011
Earnings per ordinary share:		
(a) Based on the weighted average number of ordinary shares on issue	3.7 cts	3.3 cts
(b) On a fully diluted basis	3.7 cts	3.3 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	
	31/03/12	31/12/11	31/12/10	31/03/12	31/12/11
		(restated)	(restated)		
Net asset value per ordinary share (S\$)	10.25	9.03	9.86	2.19	2.19

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 decreased by 2.6% to \$32.4m from 1Q2011. Higher revenue was generated from the Property division. Profit from operations for 1Q2012 increased by 12.2% to \$8.5m, due to cessation of business at Chengdu Oceanarium (eliminating further losses) and investment income received during the quarter.

Revenue of Healthcare division was slightly lower than last year at \$20.8m. Profit contribution was 2.3% lower than last year at \$3.4m due to higher advertising and promotion expenses. Leisure division reported a 14.2% increase in profit contribution to \$2.5m due to cessation of business at Chengdu Oceanarium. Property division reported a 2.5% and 6.5% increase in rental revenue and profits respectively, mainly due to higher occupancy.

Net asset per share increased from \$9.03 to \$10.25, mainly due to buoyant market conditions that led to an increase in the 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 2012 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.**

Given the uncertain global economic outlook, Healthcare and Leisure divisions continue to face challenges from rising costs as a result of internal and external factors. Local competition in the Leisure division will intensify. Downward pressure on rental rates attributable to increasing supply will affect Property division.

11. If a decision regarding dividend has been made: -

- (a) Whether an interim (final) ordinary dividend has been declared (recommended); and - No
- (b) (i) Amount per share :
(ii) Previous corresponding period:
- (c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of the shareholders, this must be stated.)

Not applicable

(d) The date the dividend is payable

Not applicable

(e) The date on which Registrable Transfers received by the company (up to 5:00pm) will be registered before entitlements to the dividend are determined.

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 2012.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group does not have any general mandate from shareholders pursuant to Rule 920.

14. Negative confirmation pursuant to Rule 705 (5) of the Listing Manual

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 2012 to be false or misleading.

BY ORDER OF THE BOARD

Zann Lim
Company Secretary
15 May 2012