

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 2013

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		
	2013 S\$'000	2012 S\$'000	+ / (-) %
Revenue	33,058	32,407	2.0
Cost of sales	(14,636)	(13,721)	6.7
Gross profit	18,422	18,686	(1.4)
Other income	902	849	6.2
Sales and marketing expenses	(7,396)	(7,651)	(3.3)
Warehouse and delivery expenses	(213)	(165)	29.1
General and administrative expenses	(2,212)	(3,217)	(31.2)
Finance expenses	(65)	(52)	25.0
Profit from operations	9,438	8,450	11.7
Share of results of associated companies and gain/(loss) on dilution of investment in associated company (net)	206	283	(27.2)
Profit before taxation	9,644	8,733	10.4
Taxation	(1,991)	(1,441)	38.2
Profit for the period, net of tax	7,653	7,292	5.0

A consolidated statement of comprehensive income for the quarter ended 31 March 2013:

	Group		
	Period Ended 31 March		
	2013 S\$'000	2012 S\$'000	+ / (-) %
Profit for the period, net of tax	7,653	7,292	5.0
Other comprehensive income, after tax, that may be reclassified subsequently to profit or loss:			
Fair value gains on available-for-sale financial assets (net)	93,872	237,320	(60.4)
Currency translation differences on consolidation of foreign entities (net)	4,163	(3,727)	N/M
Other comprehensive income for the period, net of tax	98,035	233,593	(58.0)
Total comprehensive income for the period	105,688	240,885	(56.1)

N/M - not meaningful

Note:

As the 16.0% (Q1 2012: 16.6%) owned associate, Hua Han Bio-Pharmaceutical Holdings Limited ("HHBP") is not required to report quarterly results 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 2012 and 2013.

1(a) Notes to the Income Statement

	Group		
	Period Ended 31 March		
	2013	2012	+ / (-)
	S\$'000	S\$'000	%
(i) Other income			
Investment income	124	141	(12.1)
Interest income	177	318	(44.3)
Miscellaneous income	601	390	54.1
	902	849	6.2
(ii) The following were charged/(credited) to the income statement :			
Interest on borrowings	65	52	25.0
Depreciation of property, plant and equipment	1,331	1,070	24.4
Property, plant and equipment written off	6	23	(73.9)
Allowance for impairment of receivables	38	-	-
Inventories written off	18	11	63.6
Foreign exchange (gain)/loss, net	(421)	292	N/M
Prior years' under/(over)provision of current taxation	106	(302)	N/M
Prior years' (over)/underprovision of deferred taxation	(54)	39	N/M
(Gain)/loss on disposal of property, plant and equipment	(9)	25	N/M
(iii) Segmental results			
<u>Revenue</u>			
Healthcare	23,328	20,821	12.0
Leisure	5,657	7,241	(21.9)
Property	4,073	4,345	(6.3)
	33,058	32,407	2.0
<u>Profit from operations</u>			
Healthcare	5,430	3,358	61.7
Leisure	1,629	2,549	(36.1)
Property	3,110	3,539	(12.1)
Investments	304	305	(0.3)
Unallocated expenses	(1,035)	(1,301)	(20.4)
	9,438	8,450	11.7

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	31/03/13 S\$'000	31/12/12 S\$'000	31/03/13 S\$'000	31/12/12 S\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	38,624	37,947	-	-
Investment properties	212,291	211,545	-	-
Investment in subsidiaries	-	-	381,957	381,957
Investment in associated companies	112,052	114,484	2,895	2,895
Available-for-sale financial assets	1,529,022	1,446,017	401	401
Deferred income tax assets	792	602	-	-
Intangible assets	11,116	11,116	-	-
	1,903,897	1,821,711	385,253	385,253
Current assets				
Available-for-sale financial assets	383,351	369,827	-	-
Inventories	11,469	10,100	-	-
Trade and other receivables	20,765	17,779	88,969	89,664
Deposits with banks and financial institutions	148,428	133,116	135,373	126,390
Cash and bank balances	12,823	17,999	1,646	2,099
	576,836	548,821	225,988	218,153
Total assets	2,480,733	2,370,532	611,241	603,406
LIABILITIES				
Current liabilities				
Trade and other payables	(36,012)	(38,322)	(130,291)	(124,416)
Taxation	(8,674)	(6,676)	(192)	(154)
Borrowings	(23,652)	(23,028)	(23,652)	(23,028)
	(68,338)	(68,026)	(154,135)	(147,598)
Non-current liabilities				
Deferred income tax liabilities	(51,324)	(49,289)	-	-
	(51,324)	(49,289)	-	-
Total liabilities	(119,662)	(117,315)	(154,135)	(147,598)
NET ASSETS	2,361,071	2,253,217	457,106	455,808
EQUITY				
Equity attributable to equity holders of the Company				
Share capital	245,231	243,114	245,231	243,114
Reserves	2,115,840	2,010,103	211,875	212,694
Total equity	2,361,071	2,253,217	457,106	455,808

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

Amount repayable in one year or less, or on demand

As at 31/03/13		As at 31/12/12	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
23,652	-	23,028	-

Amount repayable after one year

As at 31/03/13		As at 31/12/12	
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 statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group	
	Period Ended 31 March	
	2013 S\$'000	2012 S\$'000
Cash flows from operating activities:		
Profit for the period, net of tax	7,653	7,292
Adjustments for:		
Taxation	1,991	1,441
Share of results of associated companies	(202)	(283)
Gain on dilution of investment in an associated company (net)	(4)	-
Investment income	(124)	(141)
Allowance for impairment of receivables	38	-
Interest income	(177)	(318)
Depreciation of property, plant and equipment	1,331	1,070
Finance expenses	65	52
Expensing of share options	49	49
Property, plant and equipment written off	6	23
(Gain)/loss on disposal of property, plant and equipment	(9)	25
Inventories written off	18	11
Currency translation (gains)/losses	(187)	455
Operating profit before working capital changes	10,448	9,676
Increase in inventories	(1,387)	(915)
Increase in trade and other receivables	(2,918)	(3,177)
Decrease in trade and other payables	(2,091)	(1,960)
Cash generated from operations	4,052	3,624
Investment income received	75	96
Interest income received	142	379
Net taxation paid	(450)	(1,931)
Net cash provided by operating activities	3,819	2,168
Cash flows from investing activities:		
Dividends from an associated company	5,375	1,905
Purchase of property, plant and equipment	(1,291)	(1,173)
Improvements to investment properties	(376)	(175)
Proceeds from sale of property, plant and equipment	19	-
Purchase of available-for-sale financial assets	-	(5,996)
Net cash provided by/(used in) investing activities	3,727	(5,439)
Cash flows from financing activities:		
Proceeds from issue of share capital	2,117	94
Interest expense paid	(65)	(79)
Bank deposits pledged	(20)	-
Proceeds from borrowings	-	5,997
Net cash provided by financing activities	2,032	6,012
Net increase in cash and cash equivalents	9,578	2,741
Cash and cash equivalents at beginning of the financial year	149,460	87,430
Effects of currency translation on cash and cash equivalents	531	(543)
Cash and cash equivalents at end of the period	159,569	89,628
Cash and cash equivalents comprised the following:		
Cash and bank balances	12,823	21,524
Deposits with banks and financial institutions	148,428	69,649
Less: Bank deposits pledged for banker's guarantee	(1,682)	(1,545)
	159,569	89,628

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	Foreign Currency Translation Reserve	Revenue Reserve	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<u>The Group</u>						
2013						
Balance at 1 January 2013	243,114	1,254,885	23,446	(13,539)	745,311	2,253,217
Issue of share capital	2,117	-	-	-	-	2,117
Expensing of share options	-	-	49	-	-	49
Total comprehensive income for the period	-	93,872	-	4,163	7,653	105,688
Balance at 31 March 2013	245,231	1,348,757	23,495	(9,376)	752,964	2,361,071
2012						
Balance at 1 January 2012	242,127	864,675	21,461	(4,308)	665,015	1,788,970
Issue of share capital	94	-	-	-	-	94
Expensing of share options	-	-	49	-	-	49
Total comprehensive income/(expense) for the period	-	237,320	-	(3,727)	7,292	240,885
Balance at 31 March 2012	242,221	1,101,995	21,510	(8,035)	672,307	2,029,998

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 Equity
	\$'000	\$'000	\$'000	\$'000	\$'000
<u>The Company</u>					
2013					
Balance at 1 January 2013	243,114	(53)	2,909	209,838	455,808
Issue of share capital	2,117	-	-	-	2,117
Expensing of share options	-	-	49	-	49
Total comprehensive expense for the period	-	-	-	(868)	(868)
Balance at 31 March 2013	245,231	(53)	2,958	208,970	457,106
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

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 2012, 339,000 shares were issued pursuant to the exercise of share options.

438,000 share options were granted at \$7.27 per ordinary share on 4 March 2013.

As at 31 March 2013, unissued shares under the share option scheme of the Company were as follows:

	<u>31/03/13</u>	<u>31/12/12</u>
The Haw Par Corporation Group 2002 Share Option Scheme	1,059,000	986,000
	<u>1,059,000</u>	<u>986,000</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>31/03/13</u>	<u>31/12/12</u>
Total number of issued shares	198,522,654	198,183,654

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.

From 1 January 2013, the Group adopted FRS 113, Fair Value Measurement, which provides consistent guidance across FRSs on how fair value should be determined and which disclosures should be made in the financial statements. The Group does not anticipate material impact to the consolidated financial statements as a result of adopting the new FRS 113.

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>	
	Period Ended 31 March 2013	2012
Earnings per ordinary share:		
(a) Based on the weighted average number of ordinary shares on issue	3.9 cts	3.7 cts
(b) On a fully diluted basis	3.9 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>	
	31/03/13	31/12/12	31/03/13	31/12/12
Net asset value per ordinary share (S\$)	11.89	11.37	2.30	2.30

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.**

Group revenues at \$33.1m were 2% higher than 1Q2012. Profit from operations increased by 12% to \$9.4m, with increase contribution from the Healthcare division. Group earnings for 1Q2013 were \$7.7m, 5% higher than 1Q2012.

Healthcare division reported 62% higher profit of \$5.4m with a 12% increase in sales to \$23.3m as compared to 1Q2012 due to strong demand in key Asia markets and exchange gains from exports. Leisure division's profit of \$1.6m was 36% lower than 1Q2012 due to a decline as a result of intense competition. Profit from the Property division was \$3.1m which was 12% lower than 1Q2012. Our investments are likely to continue to do well.

Net asset per share increased from \$11.37 to \$11.89, mainly due to higher fair value of available-for-sale financial assets. This is before the adjustment arising from the 1 for 10 bonus issue announced recently.

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 2013 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 operating environment will remain challenging. Leisure division may suffer further setbacks due to intense competition. The Healthcare division is likely to perform better.

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 2013.

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 2013 to be false or misleading.

BY ORDER OF THE BOARD

Zann Lim
Company Secretary
14 May 2013