



HAW PAR CORPORATION LIMITED

(Company Registration Number: 196900437M)
(Incorporated in the Republic of Singapore)

Unaudited First Quarter Financial Results for the Period Ended 31 March 2016

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		
	2016	2015	+ / (-)
	S\$'000	S\$'000	%
Revenue	52,318	45,552	14.9
Cost of sales	(19,939)	(18,005)	10.7
Gross profit	32,379	27,547	17.5
Other income	4,840	1,283	277.2
Distribution and marketing expenses	(12,425)	(10,254)	21.2
General and administrative expenses	(4,225)	(2,493)	69.5
Finance expenses	(94)	(127)	(26.0)
Profit from operations	20,475	15,956	28.3
Equity accounting of associated company	273	246	11.0
Profit before taxation	20,748	16,202	28.1
Taxation	(3,681)	(2,747)	34.0
Profit for the period, net of tax	17,067	13,455	26.8

A consolidated statement of comprehensive income for the quarter ended 31 March 2016:

	Group		
	Period Ended 31 March		
	2016	2015	+ / (-)
	S\$'000	S\$'000	%
Profit for the period, net of tax	17,067	13,455	26.8
Other comprehensive (expense)/income, after tax, that may be reclassified subsequently to profit or loss:			
Fair value changes on available-for-sale financial assets (net)	(101,914)	(65,273)	56.1
Reclassification of fair value gains on disposal of available-for-sale financial assets	(2,879)	-	N/M
Currency translation differences on consolidation of foreign entities (net)	(132)	9,104	(101.4)
Other comprehensive expense for the period, net of tax	(104,925)	(56,169)	86.8
Total comprehensive expense for the period	(87,858)	(42,714)	105.7

N/M - not meaningful

1(a) Notes to the Income Statement

	Group		
	Period Ended 31 March		
	2016	2015	+ / (-)
	S\$'000	S\$'000	%
(i) Other income			
Investment income	374	184	103.3
Interest income	982	511	92.2
Gain on disposal of available-for-sale financial assets	2,879	-	100.0
Miscellaneous income	605	588	2.9
	4,840	1,283	277.2
(ii) The following were charged/(credited) to the income statement :			
Interest on borrowings	94	127	(26.0)
Depreciation of property, plant and equipment	776	1,334	(41.8)
Loss on disposal and write-off of property, plant and equipment	2	16	(87.5)
Allowance for impairment of receivables	-	8	(100.0)
Inventories written down	6	27	(77.8)
Foreign exchange loss/(gain), net	1,793	(79)	2,369.6
Prior years' under/(over) provision of current taxation	300	(88)	440.9
Prior years' underprovision of deferred taxation	-	123	(100.0)
(iii) Segmental results			
<u>Revenue</u>			
Healthcare	45,482	38,621	17.8
Leisure	2,700	2,987	(9.6)
Property	4,136	3,944	4.9
	52,318	45,552	14.9
<u>Profit/(loss) from operations</u>			
Healthcare	15,166	13,543	12.0
Leisure	480	(143)	435.7
Property	3,116	2,988	4.3
Investments	4,125	542	661.1
Unallocated expenses	(2,412)	(974)	147.6
	20,475	15,956	28.3

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.

	<u>Group</u>		<u>Company</u>	
	<u>31/3/2016</u>	<u>31/12/2015</u>	<u>31/3/2016</u>	<u>31/12/2015</u>
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	24,055	24,406	-	-
Investment properties	211,433	210,823	-	-
Investment in subsidiaries	-	-	375,857	375,857
Investment in associated companies	4,132	3,859	2,895	2,895
Available-for-sale financial assets	1,600,893	1,701,036	281	281
Deferred income tax assets	732	1,169	-	-
Intangible assets	11,116	11,116	-	-
	<u>1,852,361</u>	<u>1,952,409</u>	<u>379,033</u>	<u>379,033</u>
Current assets				
Available-for-sale financial assets	365,266	379,519	-	-
Inventories	10,729	12,375	-	-
Trade and other receivables	33,649	32,387	109,783	138,385
Cash and bank balances	338,070	315,731	308,529	287,257
	<u>747,714</u>	<u>740,012</u>	<u>418,312</u>	<u>425,642</u>
Total assets	<u>2,600,075</u>	<u>2,692,421</u>	<u>797,345</u>	<u>804,675</u>
LIABILITIES				
Current liabilities				
Trade and other payables	49,361	55,156	66,629	80,704
Current income tax liabilities	11,606	10,508	604	490
Borrowings	45,799	43,547	45,799	43,547
	<u>106,766</u>	<u>109,211</u>	<u>113,032</u>	<u>124,741</u>
Non-current liabilities				
Deferred income tax liabilities	45,672	48,087	-	-
	<u>45,672</u>	<u>48,087</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>152,438</u>	<u>157,298</u>	<u>113,032</u>	<u>124,741</u>
NET ASSETS	<u>2,447,637</u>	<u>2,535,123</u>	<u>684,313</u>	<u>679,934</u>
EQUITY				
Equity attributable to equity holders of the Company				
Share capital	250,197	249,895	250,197	249,895
Retained profits	1,047,324	1,030,257	430,313	426,306
Other reserves	1,150,116	1,254,971	3,803	3,733
Total equity	<u>2,447,637</u>	<u>2,535,123</u>	<u>684,313</u>	<u>679,934</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 31/3/2016		As at 31/12/2015	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
45,799	-	43,547	-

Amount repayable after one year

As at 31/3/2016		As at 31/12/2015	
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	
	2016 S\$'000	2015 S\$'000
Cash flows from operating activities:		
Profit before tax	20,748	16,202
Adjustments for:		
Gain on disposal of available-for-sale financial assets	(2,879)	-
Interest income	(982)	(511)
Depreciation of property, plant and equipment	776	1,334
Investment income	(374)	(184)
Equity accounting/gains on associated companies	(273)	(246)
Finance expenses	94	127
Expensing of share options	70	84
Inventories written down	6	27
Loss on disposal and write-off of property, plant and equipment	2	16
Allowance for impairment of receivables	-	8
Currency translation losses/(gains)	545	(288)
Operating profit before working capital changes	17,733	16,569
Decrease in inventories	1,640	1,250
Increase in trade and other receivables	(6,317)	(8,679)
(Decrease)/increase in trade and other payables	(4,462)	1,537
Cash generated from operations	8,594	10,677
Investment income received	3,920	120
Interest income received	904	69
Net taxation paid	(1,874)	(2,069)
Net cash provided by operating activities	11,544	8,797
Cash flows from investing activities:		
Dividends from associated companies	-	3,669
Purchase of property, plant and equipment	(938)	(241)
Improvements to investment properties	-	(110)
Proceeds from disposal of available-for-sale financial assets	12,311	-
Net cash provided by investing activities	11,373	3,318
Cash flows from financing activities:		
Proceeds from issue of share capital	302	380
Bank deposits pledged	-	10
Interest expense paid	(95)	(127)
Net cash provided by financing activities	207	263
Net increase in cash and cash equivalents	23,124	12,378
Cash and cash equivalents at beginning of the period	314,208	223,061
Effects of currency translation on cash and cash equivalents	(785)	604
Cash and cash equivalents at end of the financial period	336,547	236,043
Cash and cash equivalents comprised the following:		
Cash and bank balances	338,070	237,638
Less: Bank deposits pledged for banker's guarantee	(1,523)	(1,595)
	336,547	236,043

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	Retained Profits	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
The Group						
2016						
Balance at 1 January 2016	249,895	1,245,747	22,665	(13,441)	1,030,257	2,535,123
Issue of share capital	302	-	-	-	-	302
Expensing of share options	-	-	70	-	-	70
Total comprehensive (expense)/income for the period	-	(104,793)	-	(132)	17,067	(87,858)
Balance at 31 March 2016	250,197	1,140,954	22,735	(13,573)	1,047,324	2,447,637
2015						
Balance at 1 January 2015	248,722	1,648,605	26,046	(3,079)	887,171	2,807,465
Issue of share capital	380	-	-	-	-	380
Expensing of share options	-	-	84	-	-	84
Total comprehensive (expense)/income for the period	-	(65,273)	-	9,104	13,455	(42,714)
Balance at 31 March 2015	249,102	1,583,332	26,130	6,025	900,626	2,765,215

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	Retained Profits	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000
<u>The Company</u>					
2016					
Balance at 1 January 2016	249,895	27	3,706	426,306	679,934
Issue of share capital	302	-	-	-	302
Expensing of share options	-	-	70	-	70
Total comprehensive income for the period	-	-	-	4,007	4,007
Balance at 31 March 2016	250,197	27	3,776	430,313	684,313
2015					
Balance at 1 January 2015	248,722	76	3,455	319,762	572,015
Issue of share capital	380	-	-	-	380
Expensing of share options	-	-	84	-	84
Total comprehensive income for the period	-	-	-	2,983	2,983
Balance at 31 March 2015	249,102	76	3,539	322,745	575,462

- 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 2015, 49,000 shares were issued pursuant to the exercise of share options.

546,000 share options were granted at \$8.00 per ordinary share on 3 March 2016, of which 534,000 share options were accepted. During the period, 20,000 share options were cancelled and 12,000 share options expired.

As at 31 March 2016, unissued shares under the share option scheme of the Company were as follows:

	<u>31/3/2016</u>	<u>31/12/2015</u>
The Haw Par Corporation Group 2002 Share Option Scheme	<u>1,802,000</u>	<u>1,349,000</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>31/3/2016</u>	<u>31/12/2015</u>
Total number of issued shares	<u>219,180,173</u>	<u>219,131,173</u>

- 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 auditors.

- 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 results have been prepared based on accounting policies and methods of computation consistent with those adopted in the most recently audited annual financial statements for the year ended 31 December 2015, except 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 2016, the Group adopted the new or amended FRS and Interpretations to FRS ("INT FRS") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS included the following:

- Amendments to FRS 16 Property plant and equipment and FRS 38 Intangible Assets
- Amendments to FRS 1 Presentation of financial statements

The adoption of these new standards or amended FRS and INT FRS did not result in substantial changes to the accounting policies of the Group and the Company and had no material effect on the amounts reported for the current or prior financial years.

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 2016	2015
Earnings per ordinary share:		
(a) Based on the weighted average number of ordinary shares on issue	7.8 cts	6.1 cts
(b) On a fully diluted basis	7.8 cts	6.1 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>	
	31/3/2016	31/12/2015	31/3/2016	31/12/2015
Net asset value per ordinary share (S\$)	11.17	11.57	3.12	3.10

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.

Income statement and statement of comprehensive income (1Q2016 vs 1Q2015)

Group revenue increased 14.9% from \$45.6m to \$52.3m mainly from Healthcare. Operating profit increased 28.3% to \$20.5m due to higher profit from all operating segments and gain on disposal of certain available-for-sale financial assets in 1Q2016. Earnings for the period increased 26.8% to \$17.1m with higher contribution from Healthcare and investments.

Healthcare's revenue of \$45.5m increased 17.8% compared to 1Q2015 due to continued growth in sales from key markets. Operating profit increased 12.0% to \$15.2m due to higher sales. Leisure reported a 9.6% decrease in revenue due to lower yield from the mix of visitors. The segment made a profit of \$0.5m for 1Q2016 as there was no further depreciation required pursuant to the impairment in 4Q2015. Property's revenue of \$4.1m increased 4.9% and profit of \$3.1m increased 4.3% from improved occupancy.

Other income increased 277.2% to \$4.8m due to gain on disposal of certain available-for-sale financial assets, higher dividend income and interest income.

Distribution and marketing expenses increased 21.2% to \$12.4m mainly due to increase in promotion and advertising expenses and operating costs in Healthcare.

General and administrative expenses increased 69.5% to \$4.2m mainly due to unfavourable exchange differences, mostly unrealised.

Finance expenses decreased 26.0% due to partial repayment of borrowings in 2015.

Income tax expense increased 34.0% to \$3.7m largely due to higher profit from operations.

Statements of financial position and cashflow (31 March 2016 vs 31 December 2015)

Inventories decreased by 13.3% to \$10.7m due to timing of purchase of raw materials and shipment of finished goods.

Current trade and other payables decreased 10.5% to \$49.4m in line with decrease in inventory.

Current income tax liabilities increased 10.4% to \$11.6m due to net increase in operating profits.

As at 31 March 2016, available-for-sale financial assets were lower compared to valuations at 31 December 2015 as a result of subdued equity market, which contributed mainly to the reduction in net asset per share from \$11.57 to \$11.17.

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 2016 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 business environment in which the Group operates is expected to remain challenging. Softening retail sectors in certain key economies could slow the growth pace of Healthcare. Leisure will continue to face headwinds.

Fair values of investments may continue to be affected by the volatile equity markets.

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

- (a) **Whether an interim (final) ordinary dividend has been declared (recommended); and -**

- (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.**

Not applicable.

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 2016 to be false or misleading.

15. **Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)**

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

BY ORDER OF THE BOARD

Zann Lim
Company Secretary
11 May 2016