



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 2017

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		
	2017	2016	+ / (-)
	S\$'000	S\$'000	%
Revenue	60,849	52,318	16.3
Cost of sales	(22,046)	(19,939)	10.6
Gross profit	38,803	32,379	19.8
Other income	1,140	1,961	(41.9)
Distribution and marketing expenses	(14,897)	(12,425)	19.9
General and administrative expenses	(4,135)	(4,225)	(2.1)
Finance expenses	(94)	(94)	-
Profit from operations	20,817	17,596	18.3
Share of profits of associated company	279	273	2.2
Profit before taxation	21,096	17,869	18.1
Taxation	(3,814)	(3,681)	3.6
Profit for the period, net of tax	17,282	14,188	21.8

A consolidated statement of comprehensive income for the quarter ended 31 March 2017:

	Group		
	Period Ended 31 March		
	2017	2016	+ / (-)
	S\$'000	S\$'000	%
Profit for the period, net of tax	17,282	14,188	21.8
Other comprehensive income/(expense), after tax,			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Currency translation differences on consolidation of foreign entities (net)	(1,187)	(132)	799.2
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Fair value changes on financial assets at fair value through other comprehensive income (net)	189,348	(101,914)	N/M
Other comprehensive income/(expense) for the period, net of tax	188,161	(102,046)	N/M
Total comprehensive income/(expense) for the period	205,443	(87,858)	N/M

N/M - not meaningful

1(a) Notes to the Income Statement

	Group		
	Period Ended 31 March		
	2017	2016	+ / (-)
	S\$'000	S\$'000	%
(i) Other income			
Investment income	-	374	N/M
Interest income	819	982	(16.6)
Miscellaneous income	321	605	(46.9)
	1,140	1,961	(41.9)
(ii) The following were charged/(credited) to the income statement :			
Interest on borrowings	94	94	-
Depreciation of property, plant and equipment	809	776	4.3
Inventories written down	195	6	3,150.0
Foreign exchange loss, net	1,165	1,793	(35.0)
Prior years' underprovision of current taxation	8	300	(97.3)
Loss on disposal and write-off of property, plant and equipment	2	2	-

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	
	31/3/2017 S\$'000	31/12/2016 S\$'000	31/3/2017 S\$'000	31/12/2016 S\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	23,210	23,450	-	-
Investment properties	210,733	211,362	-	-
Investment in subsidiaries	-	-	375,357	375,357
Investment in associated company	4,592	4,313	2,895	2,895
Financial assets (FVOCI)	1,792,787	1,630,061	234	231
Deferred income tax assets	988	539	-	-
Intangible assets	11,116	11,116	-	-
	2,043,426	1,880,841	378,486	378,483
Current assets				
Financial assets (FVOCI)	431,132	397,270	-	-
Inventories	10,311	11,523	-	-
Trade and other receivables	41,614	33,508	129,543	131,605
Cash and bank balances	322,920	313,012	299,115	283,955
	805,977	755,313	428,658	415,560
Total assets	2,849,403	2,636,154	807,144	794,043
LIABILITIES				
Current liabilities				
Trade and other payables	48,666	52,992	44,735	34,954
Current income tax liabilities	13,242	10,981	748	621
Borrowings	47,301	45,799	47,301	45,799
	109,209	109,772	92,784	81,374
Non-current liabilities				
Deferred income tax liabilities	56,563	50,832	-	-
	56,563	50,832	-	-
Total liabilities	165,772	160,604	92,784	81,374
NET ASSETS	2,683,631	2,475,550	714,360	712,669
EQUITY				
Equity attributable to equity holders of the Company				
Share capital	253,882	251,359	253,882	251,359
Retained profits	1,089,954	1,072,672	456,252	457,202
Other reserves	1,339,795	1,151,519	4,226	4,108
Total equity	2,683,631	2,475,550	714,360	712,669

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

Amount repayable in one year or less, or on demand

As at 31/3/2017		As at 31/12/2016	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
47,301	-	45,799	-

Amount repayable after one year

As at 31/3/2017		As at 31/12/2016	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
-	-	-	-

Details of any collateral

The Group has provided certain investment properties and certain financial assets (FVOCI) to secure its borrowings.

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	
	2017 S\$'000	2016 S\$'000
Cash flows from operating activities:		
Profit before tax	21,096	17,869
Adjustments for:		
Interest income	(819)	(982)
Depreciation of property, plant and equipment	809	776
Share of profits of associated company	(279)	(273)
Inventories written down	195	6
Expensing of share options	115	70
Finance expenses	94	94
Loss on disposal and write-off of property, plant and equipment	2	2
Investment income	-	(374)
Currency translation losses	995	545
Operating profit before working capital changes	22,208	17,733
Decrease in inventories	1,017	1,640
Increase in trade and other receivables	(8,273)	(6,317)
Decrease in trade and other payables	(4,278)	(4,462)
Cash generated from operations	10,674	8,594
Investment income received	-	3,920
Interest income received	986	904
Net taxation paid	(2,011)	(1,874)
Net cash provided by operating activities	9,649	11,544
Cash flows from investing activities:		
Purchase of property, plant and equipment	(892)	(938)
Proceeds from disposal of financial assets (FVOCI)	-	12,311
Net cash (used in)/provided by investing activities	(892)	11,373
Cash flows from financing activities:		
Proceeds from issue of share capital	2,523	302
Interest expense paid	(126)	(95)
Net cash provided by financing activities	2,397	207
Net increase in cash and cash equivalents	11,154	23,124
Cash and cash equivalents at beginning of the period	312,596	314,208
Effects of currency translation on cash and cash equivalents	(1,245)	(785)
Cash and cash equivalents at end of the financial period	322,505	336,547
Cash and cash equivalents comprised the following:		
Cash and bank balances	322,920	338,070
Less: Bank deposits pledged for banker's guarantee	(415)	(1,523)
	322,505	336,547

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						
2017						
Balance at 1 January 2017	251,359	1,143,580	23,090	(15,151)	1,072,672	2,475,550
Issue of share capital	2,523	-	-	-	-	2,523
Expensing of share options	-	-	115	-	-	115
Total comprehensive income/(expense) for the period	-	189,348	-	(1,187)	17,282	205,443
Balance at 31 March 2017	253,882	1,332,928	23,205	(16,338)	1,089,954	2,683,631
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
Transfer of gain on disposal of financial assets at fair value through other comprehensive income to retained profits	-	(2,879)	-	-	2,879	-
Total comprehensive (expense)/income for the period	-	(101,914)	-	(132)	14,188	(87,858)
Balance at 31 March 2016	250,197	1,140,954	22,735	(13,573)	1,047,324	2,447,637

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>					
2017					
Balance at 1 January 2017	251,359	(23)	4,131	457,202	712,669
Issue of share capital	2,523	-	-	-	2,523
Expensing of share options	-	-	115	-	115
Total comprehensive income/(expense) for the period	-	3	-	(950)	(947)
Balance at 31 March 2017	253,882	(20)	4,246	456,252	714,360
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

- 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 2016, 318,000 shares were issued pursuant to the exercise of share options.

498,000 share options were granted at \$9.96 per ordinary share on 1 March 2017, of which 477,000 share options were accepted.

As at 31 March 2017, unissued shares under the share option scheme of the Company were as follows:

	<u>31/3/2017</u>	<u>31/12/2016</u>
The Haw Par Corporation Group 2002 Share Option Scheme	<u>1,787,000</u>	<u>1,652,000</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>31/3/2017</u>	<u>31/12/2016</u>
Total number of issued shares	<u>219,648,173</u>	<u>219,330,173</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 or 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 2016, 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 2017, 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 including the following:

- Amendments to FRS 7 Statement of cash flows
- Amendments to FRS 12 Income taxes

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.**

	Group	
	Period Ended 31 March 2017	2016
Earnings per ordinary share:		
(a) Based on the weighted average number of ordinary shares on issue	7.9 cts	6.5 cts
(b) On a fully diluted basis	7.9 cts	6.5 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	
	31/3/2017	31/12/2016	31/3/2017	31/12/2016
Net asset value per ordinary share (S\$)	12.22	11.29	3.25	3.25

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 (1Q2017 vs 1Q2016)

Group revenue increased 16.3% to \$60.8m for the period mainly due to higher sales of Tiger Balm products, partially offset by lower revenue from Leisure with the cessation of business at Underwater World Singapore in June 2016. The higher sales were a result of increased distribution and better offtake in certain key markets through enhanced marketing activities.

Other income decreased 41.9% to \$1.1m due to a one-off investment income in the prior period and lower interest income during the period.

Distribution and marketing expenses increased 19.9% to \$14.9m mainly due to higher marketing expenses to drive sales in Healthcare.

Profit from operations increased 18.3% to \$20.8m due to higher sales.

Statements of financial position and cashflow (31 March 2017 vs 31 December 2016)

Inventories decreased 10.5% to \$10.3m due to timing of purchase of raw materials and shipments of finished goods.

Trade and other receivables increased 24.2% to \$41.6m due to higher trade receivables as sales revenue grew.

Current income tax liabilities increased 20.6% to \$13.2m due to increase in operating profits.

As at 31 March 2017, the fair values of the Group's equity investments were higher compared to valuations at 31 December 2016 due to higher equity markets.

As a result of the above, net asset per share increased from \$11.29 to \$12.22

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 2017 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.**

Healthcare may continue to benefit from the improved economic conditions in key markets, although heightened geopolitical risks are of concern. The valuation of the Group's investments is susceptible to market volatility.

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 three months ended 31 March 2017 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 2017