

HARTAWAN HOLDINGS LIMITED

(Incorporated in Republic of Singapore)

(Co. Reg. No: 200300950D)

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FULL YEAR FINANCIAL STATEMENT ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2013**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS**

- 1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	FY ended 30 June 2013 (unaudited) \$'000	FY ended 30 June 2012 (audited) \$'000	Increase / (Decrease) %
CONTINUING OPERATIONS			
Revenue	11,530	13,734	(16.05)
Cost of sales	(2,437)	(3,785)	(35.61)
Gross profit	9,093	9,949	(8.60)
Other income	675	706	(4.39)
Administrative expenses	(4,250)	(4,638)	(8.37)
Other operating expenses	(4,967)	(5,990)	(17.08)
Profit from continuing operations	551	27	NM
Finance costs	(22)	(95)	(76.84)
Profit / (loss) before tax from continuing operations	529	(68)	NM
Income tax expense	(134)	(202)	(33.66)
Profit / (loss) after tax from continuing operations	395	(270)	NM
DISCONTINUED OPERATION			
Loss after tax from discontinued operation	-	(22)	(100.00)
Net profit / (loss) for the year	395	(292)	NM

Statement of Comprehensive Income

	FY ended 30 June 2013 (unaudited) \$'000	FY ended 30 June 2012 (audited) \$'000	Increase / (Decrease) %
Net profit / (loss) for the year	395	(292)	NM
Other comprehensive income	-	-	-
Total comprehensive income / (loss) for the year	395	(292)	NM

Notes to Group income statement

	FY ended 30 June 2013 (unaudited)	FY ended 30 June 2012 (audited)	Increase/ (Decrease)
	S\$'000	S\$'000	%
Interest income	245	186	31.72
Gain on disposal of assets held for sale	251	157	59.87
Depreciation of property, plant and equipment	(1,177)	(1,644)	(28.41)
Write-off of property, plant and equipment	-	(15)	(100.00)
Net foreign exchange gain	1	2	(50.00)
Foreign exchange gain on discontinued operation	-	74	(100.00)
Bad debts written off	-	(3)	(100.00)
Amortisation of intangible assets	(32)	(22)	45.45
Impairment loss on property, plant and equipment	(160)	(904)	(82.30)

NM – not meaningful

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	
	30.06.13 (unaudited)	30.06.12 (audited)	30.06.13 (unaudited)	30.06.12 (audited)
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets				
Property, plant and equipment	2,592	3,452	1	1
Intangible assets	42	66	-	-
Investment in subsidiaries	-	-	4,709	4,709
Prepaid operating expenses	47	9	-	-
Other receivables and deposits	268	72	-	-
	<u>2,949</u>	<u>3,599</u>	<u>4,710</u>	<u>4,710</u>
Current assets				
Inventories	49	50	-	-
Trade receivables	476	452	-	-
Prepaid operating expenses	82	110	10	11
Other receivables and deposits	178	350	19	6
Assets held for sale	-	2,701	-	2,383
Loan to a third party	12,000	6,000	12,000	6,000
Fixed deposits	8,000	24,019	8,000	24,019
Cash and bank balances	23,321	9,735	21,547	7,624
	<u>44,106</u>	<u>43,417</u>	<u>41,576</u>	<u>40,043</u>
Current liabilities				
Trade payables	336	428	-	-
Other payables and accruals	1,325	1,023	328	526
Other liabilities	57	325	-	-
Liabilities directly associated with assets held for sale	-	506	-	-
Provision for taxation	265	246	10	20
	<u>1,983</u>	<u>2,528</u>	<u>338</u>	<u>546</u>
Net current assets	<u>42,123</u>	<u>40,889</u>	<u>41,238</u>	<u>39,497</u>
Non-current liabilities				
Other payables and accruals	-	171	-	-
Other liabilities	447	37	-	-
Deferred tax liabilities	64	114	-	-
	<u>511</u>	<u>322</u>	<u>-</u>	<u>-</u>
Net assets	<u>44,561</u>	<u>44,166</u>	<u>45,948</u>	<u>44,207</u>
Equity				
Share capital	76,091	76,091	76,091	76,091
Accumulated losses	(31,530)	(31,925)	(30,143)	(31,884)
Total shareholders' equity	<u>44,561</u>	<u>44,166</u>	<u>45,948</u>	<u>44,207</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 30.06.13		As at 30.06.12	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
-	-	-	-

Amount repayable after one year

As at 30.06.13		As at 30.06.12	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
-	-	-	-

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.

	FY ended 30.06.2013 (unaudited) S\$'000	FY ended 30.06.2012 (audited) S\$'000
Cash flows from operating activities		
Profit / (loss) before tax from continuing operations	529	(68)
Loss before tax from discontinued operation	-	(22)
Profit / (loss) before tax, total	529	(90)
Adjustments for:		
Depreciation of property, plant and equipment	1,177	1,644
Write-off of property, plant and equipment	-	15
Amortisation of intangible assets	32	22
Gain on disposal of asset held for sale	(251)	(157)
Bad debts written off	-	3
Foreign exchange gain on discontinued operation	-	(74)
Impairment loss on property, plant and equipment	160	904
Notional interest income on deposits	(44)	(58)
Notional interest expense on deposits	22	37
Notional lease expense	42	57
Notional lease income	(22)	(38)
Interest income	(245)	(186)
Foreign currency translation adjustment	-	40
Operating cash flows before working capital changes	1,400	2,119
Decrease / (increase) in inventories	1	(11)
Decrease / (increase) in trade receivables	160	(72)
(Increase) / decrease in other receivables, deposits and prepayments	(33)	125
Decrease in trade payables	(88)	(3)
Increase in other payables, accruals and other liabilities	118	23
Cash flows from operations	1,558	2,181
Interest received	245	186
Income tax paid	(165)	(158)
Net cash flows generated from operating activities	1,638	2,209
Cash flows from investing activities		
Purchase of property, plant and equipment	(310)	(325)
Purchase of intangible assets	(7)	(83)
Proceeds from disposal of assets held for sale	2,036	2,045
Proceeds from disposal of property, plant and equipment	-	1
Loan to a third party	(6,000)	(6,000)
Net cash flows used in investing activities	(4,281)	(4,362)
Net decrease in cash and cash equivalents	(2,643)	(2,153)
Cash and cash equivalents at beginning of year	33,964*	36,117
Cash and cash equivalents at end of year	31,321	33,964

* Inclusive of cash and cash equivalents of Whitehouse Holdings Private Limited amounting to S\$0.21 million which is classified as assets held for sale as at 30 June 2012.

(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.

Group	Attributable to equity holders of the Company				
	Share capital	Accumulated losses	Foreign currency translation reserve	Convertible loan reserve	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 July 2011	76,091	(31,633)	-	-	44,458
Loss net of tax	-	(292)	-	-	(292)
Total comprehensive loss for the year	-	(292)	-	-	(292)
Balance as at 30 June 2012 and 1 July 2012	76,091	(31,925)	-	-	44,166
Profit net of tax	-	395	-	-	395
Total comprehensive income for the year	-	395	-	-	395
Balance as at 30 June 2013	76,091	(31,530)	-	-	44,561

Company	Share capital	Accumulated losses	Foreign currency translation reserve	Convertible loan reserve	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
	Balance as at 1 July 2011	76,091	(34,356)	-	-
Profit net of tax	-	2,472	-	-	2,472
Total comprehensive income for the year	-	2,472	-	-	2,472
Balance as at 30 June 2012 and 1 July 2012	76,091	(31,884)	-	-	44,207
Profit net of tax	-	1,741	-	-	1,741
Total comprehensive income for the year	-	1,741	-	-	1,741
Balance as at 30 June 2013	76,091	(30,143)	-	-	45,948

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 well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, 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.

There were no change in the Company's share capital since the end of previous period reported on and there were no outstanding convertibles or treasury shares held as at 30 June 2013 and 30 June 2012.

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.

	As at 30 June 2013	As at 30 June 2012
Total number of issued shares	812,139,411	812,139,411

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 as the Company does not have any treasury shares.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The financial statements have not been audited or reviewed by the 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.

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as in the Group's most recently audited financial statements for the financial year ended 30 June 2013 except for the adoption of the new and revised Financial Reporting Standards (FRS) and Interpretation of Financial Reporting Standards (INT FRS) as mentioned 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.

The Group has adopted all the Amendments to FRS that are effective for annual periods beginning on or after 1 July 2012. The adoption of these standards and interpretations did not have any effect on the financial performance or position of the Group and the Company.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

**(a) based on the weighted average number of ordinary shares on issue; and
(b) on a fully diluted basis (detailing any adjustments made to the earnings).**

Earnings/(Loss) per Share (in cents) from continuing operations	Group	
	FY ended 30.06.2013 (unaudited)	FY ended 30.06.2012 (audited)
Based on weighted average number of ordinary shares (cents)	0.05	(0.03)
Number of ordinary shares ('000)	812,139	812,139

Earnings/(Loss) per Share (in cents) from discontinued operation	Group	
	FY ended 30.06.2013 (unaudited)	FY ended 30.06.2012 (audited)
Based on weighted average number of ordinary shares (cents)	-	-*
Number of ordinary shares ('000)	812,139	812,139

*Denotes less than 0.01 cents

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:

**(a) current financial period reported on; and
(b) immediately preceding financial year.**

	Group		Company	
	30.06.13	30.06.12	30.06.13	30.06.12
Number of ordinary shares ('000)	812,139	812,139	812,139	812,139
Net asset value per ordinary share (cents)	5.49	5.44	5.66	5.44

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.

Continuing Operations

The Group's revenue decreased by S\$2.20 million from S\$13.73 million for the financial year ended 30 June 2012 ("FY12") to S\$11.53 million for the financial year ended 30 June 2013 ("FY13"). The decrease was attributable to a decrease of S\$0.15 million from Hotel Re! @ Pearl's Hill ("Hotel Re!") and S\$2.05 million from the Company's property leasing business.

The decrease in revenue from the property leasing business was attributable to the disposal of Whitehouse Holdings Private Limited ("WH") to HSR Global Limited in September 2012.

Gross profit of the Group decreased from S\$9.95 million in FY12 to S\$9.09 million in FY13. This was mainly due to a decrease of S\$0.83 million from the property leasing business which was offset by an increase of S\$0.03 million from the hotel business. The decrease in gross profit from the property leasing business was mainly attributable to the aforementioned disposal of WH in September 2012.

Other income decreased by S\$0.03 million in FY13 mainly due to:

- Income from the forfeiture of deposit of S\$0.26 million in FY12 in relation to the intended proposed disposal of WH to Ms Li Jie and Ms Feng Zitong which did not complete by the completion date, 30 November 2011 which did not recur in FY13.
- A decrease in foreign exchange gain of S\$0.09 million in FY13.
- A decrease in fair value adjustment on discounting of deposits of S\$0.06 million in FY13.

partly offset by,

- A gain of S\$0.32 million from the disposal of WH to HSR Global Limited in FY13.
- An increase in interest income of S\$0.06 million in FY13.

Administrative expenses decreased by S\$0.39 million in FY13 mainly due to:

- Decrease in legal and professional fees of S\$0.24 million in relation to the proposed acquisition of the entire issued and paid-up share capital of Wilton Resources Holdings Pte. Ltd. ("Wilton") by the Company, as set out in the announcement made on 31 October 2011 (*announcement no.00133*).
- Decrease in payroll related expenses of S\$0.15 million.

Other operating expenses decreased by S\$1.02 million in FY13 mainly due to a decrease in impairment of property, plant and equipment of S\$0.74 million to S\$0.16 million and the disposal of WH in FY13.

Net profit from the continuing operations amounted to S\$0.40 million in FY13, as compared to a loss of S\$0.27 million in FY12.

Discontinued Operation

Loss from discontinued operation amounted to S\$0.02 million in FY12 due to maintenance costs and recurring expenses such as vessel management fees, berthing charges, crew wages and insurance premiums. The Group has exited the shipping business completely pursuant to the sale of all of its vessels in August 2011.

Net profit for FY13

Net profit amounted to S\$0.40 million in FY13, as compared to a loss of S\$0.29 million in FY12.

Balance Sheet

Property, plant and equipment decreased by S\$0.86 million in FY13 mainly due to:

- Provision for impairment of property, plant and equipment of S\$0.16 million.
- Depreciation expenses of S\$1.18 million.

partly offset by,

- Purchase of property, plant and equipment of S\$0.31 million.
- Increase in provision for lease reinstatement of S\$0.17 million.

Assets held for sale decreased by S\$2.71 million in FY13 due to the disposal of WH in FY13.

Other receivables, deposits and prepaid operating expenses increased by S\$0.03 million mainly due to an increase in prepaid lease expenses of S\$0.03 million.

Loan to external party refers to a convertible loan extended by the Company to Wilton pursuant to a convertible loan agreement dated 29 October 2011, as set out in the announcement dated 31 October 2011 (*announcement no.00133*).

Trade payables, other liabilities, other payables and accruals increased by S\$0.18 million mainly due to:

- Increase in deposits received of S\$0.18 million mainly due to an increase in deposits received for events and functions from the hotel business.
- Increase in provision for lease reinstatement of S\$0.17 million mainly due to an increase in estimated cost of reinstating the leased hotel premise.

partly offset by,

- Decrease in trade payables of S\$0.09 million.
- Decrease in lease income received in advance of S\$0.02 million.
- Decrease in accruals of S\$0.06 million

Liabilities directly associated with assets held for sale is in relation to liabilities of WH which has been sold in FY13.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

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 lease of Hotel Re! is expiring in February 2016. The Group continues to face challenges in hospitality business due to a shortage of manpower, higher manpower cost and increased competition in the industry as more hotels are launched.

In the property leasing business, the Group also faces challenges in passing on the rental increase imposed by the landlord as it does not own the properties.

The Company has entered into a conditional sale and purchase agreement on 29 October 2011 with 2 vendors for the proposed acquisition by the Company of the entire issued and paid-up share capital of Wilton for a consideration of S\$300 million. More details and information on this can be found in the Company's announcements made on 31 October 2011, 4 November 2011, 17 April 2012, 2 August 2012, 21 August 2012, 24 October 2012, 28 February 2013 and 2 July 2013. An application for the listing and quotation of the shares to be issued to the vendors in satisfaction of the purchase consideration has been submitted to the SGX-ST on 1 August 2013. Further announcements will be made to update shareholders as and when there are material developments.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Nil

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

Nil

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

12. If no dividend has been declared/recommendeded, a statement to that effect.

No dividend has been declared for the current year.

13. If the Group has obtained a general mandate from shareholders for Interested Person Transactions (“IPT”), 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.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

14. Segmented revenue and results for operating segments (of the group) in the form presented in the issuer’s most recently audited annual financial statements, with comparative information for the immediately preceding year.

Operating segments

FY2013 (unaudited)	Continuing operations			Discontinued operation	
	Property leasing S\$'000	Hotel S\$'000	Total S\$'000	Shipping S\$'000	Total S\$'000
Revenue and expenses					
Segment revenue					
Sales to external customers	1,372	10,158	11,530	-	11,530
Segment results	(293)	844	551	-	551
Profit from operations			551	-	551
Finance costs			(22)	-	(22)
Profit before tax			529	-	529
Income tax expense			(134)	-	(134)
Net profit			395	-	395
Assets and liabilities					
Segment assets	42,368	4,687	47,055	-	47,055
Total assets			47,055	-	47,055
Segment liabilities	628	1,537	2,165	-	2,165
Unallocated liabilities			329	-	329
Total liabilities			2,494	-	2,494
Other segment information					
Capital expenditure					
- Tangible assets	-	310	310	-	310
- Intangible assets	-	7	7	-	7
Depreciation of property, plant and equipment	128	1,049	1,177	-	1,177
Amortisation of intangible assets	-	32	32	-	32
Gain on disposal of assets held for sale	(251)	-	(251)	-	(251)
Provision for impairment of property, plant and equipment	-	160	160	-	160
FY2012 (audited)					
	Continuing operations			Discontinued operation	
	Property leasing S\$'000	Hotel S\$'000	Total S\$'000	Shipping S\$'000	Total S\$'000
Revenue and expenses					
Segment revenue					
Sales to external customers	3,425	10,309	13,734	-	13,734
Segment results	(548)	575	27	(22)	5
Loss from operations			27	(22)	5
Finance costs			(95)	-	(95)
Loss before tax			(68)	(22)	(90)
Income tax expense			(202)	-	(202)
Net loss			(270)	(22)	(292)

FY2012 (audited)	Continuing operations			Discontinued operation	
	Property leasing S\$'000	Hotel S\$'000	Total S\$'000	Shipping S\$'000	Total S\$'000
Assets and liabilities					
Segment assets	41,393	5,623	47,016	-	47,016
Total assets			47,016	-	47,016
Segment liabilities	1,281	1,209	2,490	-	2,490
Unallocated liabilities			360	-	360
Total liabilities			2,850	-	2,850
Other segment information					
Capital expenditure					
- Tangible assets	33	292	325	-	325
- Intangible assets	-	83	83	-	83
Depreciation of property, plant and equipment	579	1,065	1,644	-	1,644
Amortisation of intangible assets	-	22	22	-	22
Bad debts written off	-	3	3	-	3
Foreign exchange gain on discontinued operation	-	-	-	(74)	(74)
Gain on disposal of assets held for sale	-	-	-	(157)	(157)
Impairment loss on property, plant and equipment	-	904	904	-	904

Geographical segments

The Group operates primarily in Singapore for FY2013 and FY2012.

15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

Please refer to Paragraph 8

16. A breakdown of sales.

	FY2013 (unaudited) \$'000	FY2012 (audited) \$'000	% increase/ (decrease)
(a) Sales reported for first half year	6,457	7,344	(12.08)
(b) Operating profit / (loss) after tax before deducting minority interests reported for first half year	362	(696)	NM
(c) Sales reported for second half year	5,073	6,390	(20.61)
(d) Operating profit after tax before deducting minority interests reported for second half year	33	404	(91.83)

NM – not meaningful

17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

	FY2013 (S\$)	FY2012 (S\$)
Ordinary	0	0
Preference	0	0
Total:	0	0

18. **Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Name	Age	Family relationship with any director and/or chief executive officer and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Jolene Chong Chui Wen	29	Daughter of Mrs Cynthia Chong, Executive Director and, Mr Winstedt Chong, Executive Chairman and substantial shareholder of Hartawan Holdings Limited	Deputy General Manager of Hotel Re! Pte Ltd ("Hotel Re!"), a subsidiary of Hartawan Holdings Limited Responsible in assisting the General Manager in strategic planning, marketing, business development and development of internal training programmes of Hotel Re! Position first held in 2009	No changes during the year

BY ORDER OF THE BOARD

Mr Winstedt Chong
Chairman
21 August 2013