

Unaudited Second Quarter Financial Statements for the Period Ended 30 June 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			Group		
	2nd Quarter Ended 30 June			6 Months Ended 30 June		
	2013	2012	+ / (-)	2013	2012	+ / (-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	40,002	36,507	9.6	73,060	68,914	6.0
Cost of sales	(16,508)	(15,426)	7.0	(31,144)	(29,147)	6.9
Gross profit	23,494	21,081	11.4	41,916	39,767	5.4
Other income	42,889	36,401	17.8	43,791	37,250	17.6
Sales and marketing expenses	(8,853)	(7,709)	14.8	(16,249)	(15,360)	5.8
Warehouse and delivery expenses	(256)	(197)	29.9	(469)	(362)	29.6
General and administrative expenses	(2,438)	(3,133)	(22.2)	(4,650)	(6,350)	(26.8)
Finance expenses	(67)	(57)	17.5	(132)	(109)	21.1
Profit from operations	54,769	46,386	18.1	64,207	54,836	17.1
Share of results of associated companies and gain/(loss) on dilution of investment in associated company (net)	79	13,329	(99.4)	285	13,612	(97.9)
Profit before taxation	54,848	59,715	(8.2)	64,492	68,448	(5.8)
Taxation	(2,208)	(2,072)	6.6	(4,199)	(3,513)	19.5
Profit for the period, net of tax	52,640	57,643	(8.7)	60,293	64,935	(7.1)

A consolidated statement of comprehensive income for the 2nd quarter and 6 months ended 30 June 2013:

	Group			Group		
	2nd Quarter Ended 30 June			6 Months Ended 30 June		
	2013	2012	+ / (-)	2013	2012	+ / (-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Profit for the period, net of tax	52,640	57,643	(8.7)	60,293	64,935	(7.1)
Other comprehensive income, after tax, that may be reclassified subsequently to profit or loss:						
Fair value (losses)/gains on available-for-sale financial assets (net)	(47,812)	11,057	N/M	46,060	248,377	(81.5)
Currency translation differences on consolidation of foreign entities (net)	1,737	(1,465)	N/M	5,900	(5,192)	N/M
Share of associated company's currency translation reserve through equity accounting	-	(1,527)	(100.0)	-	(1,527)	(100.0)
Share of associated company's other comprehensive income through equity accounting	-	867	(100.0)	-	867	(100.0)
Other comprehensive (expense)/income for the period, net of tax	(46,075)	8,932	N/M	51,960	242,525	(78.6)
Total comprehensive income for the period	6,565	66,575	(90.1)	112,253	307,460	(63.5)

N/M - not meaningful

Note:

For the six months ended 30 June 2013, the Group has not accounted for the results of 15.3% owned associate, Hua Han Bio-Pharmaceutical Holdings Limited ("HHBP") as Hong Kong listing rules have a different timeline for releasing of results and HHBP is restricted by those rules from releasing its results only to the Group. Further announcement will be made when HHBP's results for the year ended 30 June 2013 become available.

The comparatives for 2nd quarter and six months ended 30 June 2013 have been updated for HHBP results in those periods.

1(a) Notes to the Income Statement

	Group			Group		
	2nd Quarter Ended 30 June			6 Months Ended 30 June		
	2013	2012	+ / (-)	2013	2012	+ / (-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
(i) Other income						
Investment income	42,409	35,567	19.2	42,533	35,708	19.1
Interest income	180	375	(52.0)	357	693	(48.5)
Miscellaneous income	300	459	(34.6)	901	849	6.1
	42,889	36,401	17.8	43,791	37,250	17.6
(ii) The following were charged/(credited) to the income statement :						
Interest on borrowings	67	57	17.5	132	109	21.1
Depreciation of property, plant and equipment	1,342	1,052	27.6	2,673	2,122	26.0
Property, plant and equipment written off	29	7	314.3	44	30	46.7
Allowance for impairment of receivables	1	-	-	39	-	-
Inventories written off	(13)	12	N/M	5	23	(78.3)
Foreign exchange (gain)/loss, net	(165)	216	N/M	(586)	508	N/M
Prior years' (over)/underprovision of current taxation	(129)	146	N/M	(23)	(156)	(85.3)
Prior years' under/(over)provision of deferred taxation	224	(10)	N/M	170	29	486.2
(Gain)/loss on disposal of property, plant and equipment	(1)	-	-	(1)	25	N/M
(iii) Segmental results						
<u>Revenue</u>						
Healthcare	30,178	23,771	27.0	53,506	44,592	20.0
Leisure	5,548	8,411	(34.0)	11,205	15,652	(28.4)
Property	4,276	4,325	(1.1)	8,349	8,670	(3.7)
	40,002	36,507	9.6	73,060	68,914	6.0
<u>Profit from operations</u>						
Healthcare	8,385	4,741	76.9	13,815	8,099	70.6
Leisure	1,269	3,901	(67.5)	2,898	6,450	(55.1)
Property	3,407	3,182	7.1	6,517	6,721	(3.0)
Investments	42,445	35,866	18.3	42,749	36,171	18.2
Unallocated expenses	(737)	(1,304)	(43.5)	(1,772)	(2,605)	(32.0)
	54,769	46,386	18.1	64,207	54,836	17.1

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 S\$'000	31/12/12 S\$'000	30/06/13 S\$'000	31/12/12 S\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	37,758	37,947	-	-
Investment properties	212,596	211,545	-	-
Investment in subsidiaries	-	-	381,957	381,957
Investment in associated companies	114,158	114,484	2,895	2,895
Available-for-sale financial assets	1,490,472	1,446,017	401	401
Deferred income tax assets	719	602	-	-
Intangible assets	11,116	11,116	-	-
	1,866,819	1,821,711	385,253	385,253
Current assets				
Available-for-sale financial assets	372,873	369,827	-	-
Inventories	10,077	10,100	-	-
Trade and other receivables	25,088	17,779	86,654	89,664
Deposits with banks and financial institutions	168,925	133,116	161,028	126,390
Cash and bank balances	15,744	17,999	1,750	2,099
	592,707	548,821	249,432	218,153
Total assets	2,459,526	2,370,532	634,685	603,406
LIABILITIES				
Current liabilities				
Trade and other payables	(36,947)	(38,322)	(173,857)	(124,416)
Taxation	(7,366)	(6,676)	(144)	(154)
Borrowings	(24,105)	(23,028)	(24,105)	(23,028)
	(68,418)	(68,026)	(198,106)	(147,598)
Non-current liabilities				
Deferred income tax liabilities	(49,655)	(49,289)	-	-
	(49,655)	(49,289)	-	-
Total liabilities	(118,073)	(117,315)	(198,106)	(147,598)
NET ASSETS	2,341,453	2,253,217	436,579	455,808
EQUITY				
Equity attributable to equity holders of the Company				
Share capital	246,813	243,114	246,813	243,114
Reserves	2,094,640	2,010,103	189,766	212,694
Total equity	2,341,453	2,253,217	436,579	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 30/06/13		As at 31/12/12	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
24,105	-	23,028	-

Amount repayable after one year

As at 30/06/13		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		Group	
	2nd Quarter Ended 30 June		6 Months Ended 30 June	
	2013 S\$'000	2012 S\$'000	2013 S\$'000	2012 S\$'000
Cash flows from operating activities:				
Profit for the period, net of tax	52,640	57,643	60,293	64,935
Adjustments for:				
Taxation	2,208	2,072	4,199	3,513
Share of results of associated companies	(79)	(13,329)	(281)	(13,612)
Gain on dilution of investment in an associated company (net)	-	-	(4)	-
Investment income	(42,409)	(35,567)	(42,533)	(35,708)
Allowance for impairment of receivables	1	-	39	-
Interest income	(180)	(375)	(357)	(693)
Depreciation of property, plant and equipment	1,342	1,052	2,673	2,122
Finance expenses	67	57	132	109
Expensing of share options	64	43	113	92
Property, plant and equipment written off	29	7	44	30
(Gain)/loss on disposal of property, plant and equipment	(1)	-	(1)	25
Inventories written off	(13)	12	5	23
Write-back of unclaimed dividends	-	(18)	-	(18)
Currency translation (gains)/losses	(73)	165	(260)	620
Operating profit before working capital changes	13,596	11,762	24,062	21,438
Decrease/(increase) in inventories	1,405	21	18	(894)
Increase in trade and other receivables	(4,336)	(80)	(7,254)	(3,257)
Increase/(decrease) in trade and other payables	937	2,382	(1,154)	422
Cash generated from operations	11,602	14,085	15,672	17,709
Investment income received	42,408	35,580	42,483	35,676
Interest income received	232	97	374	476
Net taxation paid	(3,459)	(2,714)	(3,909)	(4,645)
Net cash provided by operating activities	50,783	47,048	54,620	49,216
Cash flows from investing activities:				
Dividends from an associated company	-	-	5,375	1,905
Purchase of property, plant and equipment	(268)	(657)	(1,559)	(1,830)
Improvements to investment properties	(462)	-	(838)	(175)
Proceeds from sale of property, plant and equipment	1	-	2	-
Proceeds from disposal of available-for-sale financial assets	-	10,552	-	10,552
Purchase of available-for-sale financial assets	-	-	-	(5,996)
Net cash (used in)/provided by investing activities	(729)	9,895	2,980	4,456
Cash flows from financing activities:				
Payment of dividends to shareholders of the Company	(27,829)	(27,724)	(27,829)	(27,724)
Proceeds from issue of share capital	1,582	-	3,699	94
Interest expense paid	(69)	(39)	(134)	(118)
Bank deposits pledged	8	(6)	(12)	(6)
Proceeds from borrowings	-	-	-	5,997
Net cash used in financing activities	(26,308)	(27,769)	(24,276)	(21,757)
Net increase in cash and cash equivalents	23,746	29,174	33,324	31,915
Cash and cash equivalents at beginning of the period	159,569	89,628	149,460	87,430
Effects of currency translation on cash and cash equivalents	(313)	(410)	218	(953)
Cash and cash equivalents at end of the period	183,002	118,392	183,002	118,392
Cash and cash equivalents comprised the following:				
Cash and bank balances	15,744	17,135	15,744	17,135
Deposits with banks and financial institutions	168,925	102,807	168,925	102,807
Less: Bank deposits pledged for banker's guarantee	(1,667)	(1,550)	(1,667)	(1,550)
	183,002	118,392	183,002	118,392

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	3,699	-	-	-	-	3,699
Expensing of share options	-	-	113	-	-	113
Dividends paid	-	-	-	-	(27,829)	(27,829)
Total comprehensive income for the period	-	46,060	-	5,900	60,293	112,253
Balance at 30 June 2013	246,813	1,300,945	23,559	(7,639)	777,775	2,341,453
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	-	-	92	-	-	92
Dividends paid	-	-	-	-	(27,724)	(27,724)
Total comprehensive income/(expense) for the period	-	248,377	867	(6,719)	64,935	307,460
Balance at 30 June 2012	242,221	1,113,052	22,420	(11,027)	702,226	2,068,892

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	3,699	-	-	-	3,699
Expensing of share options	-	-	113	-	113
Dividends paid	-	-	-	(27,829)	(27,829)
Total comprehensive income for the period	-	-	-	4,788	4,788
Balance at 30 June 2013	246,813	(53)	3,022	186,797	436,579
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	-	-	92	-	92
Dividends paid	-	-	-	(27,724)	(27,724)
Total comprehensive income for the period	-	-	-	4,671	4,671
Balance at 30 June 2012	242,221	(27)	2,828	166,169	411,191

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 March 2013, 264,000 shares were issued pursuant to the exercise of share options. On 4 June 2013, 19,871,519 bonus shares were allotted and issued pursuant to the bonus issue at one bonus share for every ten existing ordinary shares.

As at 30 June 2013, unissued shares under the share option scheme of the Company were as follows:

	<u>30/06/13</u>	<u>30/6/12</u>
The Haw Par Corporation Group 2002 Share Option Scheme	795,000	1,138,000
	<u>795,000</u>	<u>1,138,000</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>30/06/13</u>	<u>31/12/12</u>
Total number of issued shares	218,658,173	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 what disclosures should be made in the financial statements. The Group does not anticipate any material impact to the consolidated financial statements as a result of adoption of 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.**

	Group		Group	
	2nd Quarter Ended 30 June 2013	2012	6 Months Ended 30 June 2013	2012
Earnings per ordinary share:				
(a) Based on the weighted average number of ordinary shares on issue *	24.1 cts	26.5 cts	27.6 cts	29.8 cts
(b) On a fully diluted basis *	24.1 cts	26.5 cts	27.6 cts	29.8 cts

* The comparative figures for Earnings per ordinary share have been adjusted for the bonus issue of 1 for 10 shares.

The Earnings per share for the current period has not accounted for any share in results of the Hong Kong listed associate, Hua Han Bio-Pharmaceutical Holdings Limited, due to difference in reporting timeline. This will be updated when the results become available.

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	
	30/06/13	31/12/12	30/06/13	31/12/12
Net asset value per ordinary share (S\$) ⁺	10.71	10.34	2.00	2.09

⁺ The comparative figures for Net asset value per ordinary share have been adjusted for the bonus issue of 1 for 10 shares (31 December 2012: 218,002,019 ordinary shares).

The Net asset value per share for the Group as at 30 June 2013 has not accounted for any share in change in asset value of the Hong Kong listed associate, Hua Han Bio-Pharmaceutical Holdings Limited, due to difference in reporting timeline. This will be updated when the results become available.

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.

2nd quarter ended 30 June 2013

Group revenues at \$40.0m were 10% higher than 2Q2012. Profits from operations increased by 18% to \$54.8m, mainly due to higher turnover at Healthcare division and higher dividend income from investments. Net profits for the period is lower than previous year due to the non-inclusion of the contribution from a Hong Kong associate who only publishes six monthly results with a later reporting timeline.

Healthcare division reported 27% increase in sales to \$30.2m as compared to 2Q2012 due to strong demand in key Asia markets aided by strengthening of major foreign currencies that were favourable for export sales. Higher gross margins also contributed to a 77% increase in profits to \$8.4m when compared to 2Q2012. Leisure division's profits of \$1.3m was 68% lower than 2Q2012 due to the intense competition particularly in Singapore. With lower operating expense, profits from the Property division was 7% higher than 2Q2012 at \$3.4m.

6 months ended 30 June 2013

Revenue for 6M2013 was 6% higher than 6M2012 at \$73.1m. Profits from operations increased by 17% to \$64.2m with higher contribution from Healthcare division and higher dividend income. Net earnings for the period will only be finalised after the Hong Kong listed associate's results become available.

Healthcare division's turnover and profit contribution increased by 20% and 71% to \$53.5m and \$13.8m respectively when compared to 6M2012. Advertising and promotion efforts and launch of new products over the past years generated growth momentum in key markets. Leisure division's profits of \$2.9m was 55% lower than 6M2012 due to the intense competition from newer attractions. Property division's profits was 3% lower at \$6.5m as a result of lower revenue. Investment income was 19% higher at \$42.5m due to special dividends received from UOB shares.

Net asset per share increased from \$10.34 to \$10.71, mainly due to higher fair value of available-for-sale financial assets. These have been adjusted for the bonus issue of 1 for 10 shares.

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 2Q 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.

Recoveries of global economies remain uncertain. In spite of this, Healthcare division is expected to see healthy growth as a result of sustained advertising and promotion efforts. Leisure division may suffer further setbacks with the intense competition.

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.)

	2013	2012
Name of Dividend	First & Interim	First & Interim
Dividend Type	Cash	Cash
Dividend amount per share	6 cents per ordinary share tax-exempt (one-tier)	6 cents per ordinary share tax-exempt (one-tier)
Tax Rate	Tax-Exempt (one-tier)	Tax-Exempt (one-tier)

(d) The date the dividend is payable

First & Interim Dividend - 12 September 2013

(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.

The Share Transfer Books and Register of Members of the Company will be closed on 30 August 2013. Duly completed transfers received by the Company's Share Registrar up to 5.00 pm on 29 August 2013 will be registered to determine shareholders' entitlement to the First & Interim Dividend. In respect of ordinary shares in securities accounts with The Central Depository (Pte) Ltd ("CDP"), the First & Interim Dividend will be paid to CDP, which will in turn distribute the dividend entitlement to the shareholders concerned.

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 6 months ended 30 June 2013 to be false or misleading.

BY ORDER OF THE BOARD

Zann Lim
Company Secretary
14 August 2013