

Unaudited Third Quarter Financial Statements for the Period Ended 30 September 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		
	3rd Quarter Ended 30 September 2013			9 Months Ended 30 September 2013		
	2013	2012	+ / (-)	2013	2012	+ / (-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	37,452	36,748	1.9	110,512	105,662	4.6
Cost of sales	(16,054)	(16,836)	(4.6)	(47,198)	(45,983)	2.6
Gross profit	21,398	19,912	7.5	63,314	59,679	6.1
Other income	14,457	14,584	(0.9)	58,248	51,834	12.4
Sales and marketing expenses	(8,338)	(8,503)	(1.9)	(24,587)	(23,863)	3.0
Warehouse and delivery expenses	(233)	(175)	33.1	(702)	(537)	30.7
General and administrative expenses	(3,149)	(3,147)	0.1	(7,799)	(9,497)	(17.9)
Finance expenses	(68)	(70)	(2.9)	(200)	(179)	11.7
Profit from operations	24,067	22,601	6.5	88,274	77,437	14.0
Share of results of associated companies and gain/(loss) on dilution of investment in associated company (net)	123	94	30.9	1,785	13,706	(87.0)
Profit before taxation	24,190	22,695	6.6	90,059	91,143	(1.2)
Taxation	(1,838)	(2,206)	(16.7)	(6,037)	(5,719)	5.6
Profit for the period, net of tax	22,352	20,489	9.1	84,022	85,424	(1.6)

A consolidated statement of comprehensive income for the 3rd quarter and 9 months ended 30 September 2013:

	Group			Group		
	3rd Quarter Ended 30 September 2013			9 Months Ended 30 September 2013		
	2013	2012	+ / (-)	2013	2012	+ / (-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Profit for the period, net of tax	22,352	20,489	9.1	84,022	85,424	(1.6)
Other comprehensive income, after tax, that may be reclassified subsequently to profit or loss:						
Fair value gains on available-for-sale financial assets (net)	32,643	120,231	(72.8)	78,703	368,608	(78.6)
Currency translation differences on consolidation of foreign entities (net)	(3,226)	(3,370)	(4.3)	2,709	(8,562)	N/M
Share of associated company's currency translation reserve through equity accounting	-	-	-	2,871	(1,527)	N/M
Share of associated company's other comprehensive income through equity accounting	-	-	-	(34)	867	N/M
Other comprehensive income for the period, net of tax	29,417	116,861	(74.8)	84,249	359,386	(76.6)
Total comprehensive income for the period	51,769	137,350	(62.3)	168,271	444,810	(62.2)

N/M - not meaningful

Note:

For the nine months ended 30 September 2013, the Group has accounted for the results of its associate, Hua Han Bio-Pharmaceutical Holdings Limited ("HHBP") up till 30 June 2013.

For the quarter ended 30 September 2013, the Group has not accounted for the results of HHBP as HHBP is not required to report quarterly. Under the Hong Kong listing rules, HHBP may not release its results only to the Group.

1(a) Notes to the Income Statement

	Group			Group		
	3rd Quarter Ended 30 September 2013	2012	+ / (-)	9 Months Ended 30 September 2013	2012	+ / (-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
(i) Other income						
Investment income	13,792	13,766	0.2	56,325	49,474	13.8
Interest income	257	206	24.8	614	899	(31.7)
Miscellaneous income	408	612	(33.3)	1,309	1,461	(10.4)
	14,457	14,584	(0.9)	58,248	51,834	12.4
(ii) The following were charged/(credited) to the income statement :						
Interest on borrowings	68	70	(2.9)	200	179	11.7
Depreciation of property, plant and equipment	1,354	1,274	6.3	4,027	3,396	18.6
Property, plant and equipment written off	6	4	50.0	50	34	47.1
Allowance for impairment of receivables	-	7	(100.0)	39	7	457.1
Inventories written off	29	15	93.3	34	38	(10.5)
Impairment in value of available-for-sale financial assets	210	-	-	210	-	-
Foreign exchange loss/(gain), net	391	1,170	(66.6)	(195)	1,678	N/M
Prior years' (over)/underprovision of current taxation	(49)	363	N/M	(72)	207	N/M
Prior years' (over)/underprovision of deferred taxation	(4)	(48)	(91.7)	166	(19)	N/M
(Gain)/loss on disposal of property, plant and equipment	-	(4)	100.0	(1)	21	N/M
(iii) Segmental results						
Revenue						
Healthcare	28,449	25,291	12.5	81,955	69,883	17.3
Leisure	4,650	7,395	(37.1)	15,855	23,047	(31.2)
Property	4,353	4,062	7.2	12,702	12,732	(0.2)
	37,452	36,748	1.9	110,512	105,662	4.6
Profit from operations						
Healthcare	7,343	4,216	74.2	21,158	12,315	71.8
Leisure	565	2,685	(79.0)	3,463	9,135	(62.1)
Property	3,350	3,167	5.8	9,867	9,888	(0.2)
Investments	13,742	14,159	(2.9)	56,491	50,330	12.2
Unallocated expenses	(933)	(1,626)	(42.6)	(2,705)	(4,231)	(36.1)
	24,067	22,601	6.5	88,274	77,437	14.0

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	
	30/09/13 S\$'000	31/12/12 S\$'000	30/09/13 S\$'000	31/12/12 S\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	36,752	37,947	-	-
Investment properties	211,931	211,545	-	-
Investment in subsidiaries	-	-	381,957	381,957
Investment in associated companies	116,425	114,484	2,895	2,895
Available-for-sale financial assets	1,511,011	1,446,017	401	401
Deferred income tax assets	712	602	-	-
Intangible assets	11,116	11,116	-	-
	1,887,947	1,821,711	385,253	385,253
Current assets				
Available-for-sale financial assets	386,621	369,827	-	-
Inventories	9,036	10,100	-	-
Trade and other receivables	21,209	17,779	86,306	89,664
Deposits with banks and financial institutions	181,928	133,116	172,420	126,390
Cash and bank balances	17,465	17,999	2,755	2,099
	616,259	548,821	261,481	218,153
Total assets	2,504,206	2,370,532	646,734	603,406
LIABILITIES				
Current liabilities				
Trade and other payables	(38,062)	(38,322)	(187,781)	(124,416)
Taxation	(6,114)	(6,676)	(154)	(154)
Borrowings	(23,652)	(23,028)	(23,652)	(23,028)
	(67,828)	(68,026)	(211,587)	(147,598)
Non-current liabilities				
Deferred income tax liabilities	(51,963)	(49,289)	-	-
	(51,963)	(49,289)	-	-
Total liabilities	(119,791)	(117,315)	(211,587)	(147,598)
NET ASSETS	2,384,415	2,253,217	435,147	455,808
EQUITY				
Equity attributable to equity holders of the Company				
Share capital	246,813	243,114	246,813	243,114
Reserves	2,137,602	2,010,103	188,334	212,694
Total equity	2,384,415	2,253,217	435,147	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 30/09/13		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 30/09/13		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	
	3rd Quarter Ended 30 September		9 Months Ended 30 September	
	2013	2012	2013	2012
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities:				
Profit for the period, net of tax	22,352	20,489	84,022	85,424
Adjustments for:				
Taxation	1,838	2,206	6,037	5,719
Share of results of associated companies	(123)	(94)	(849)	(13,706)
Gain on dilution of investment in an associated company (net)	-	-	(936)	-
Investment income	(13,792)	(13,766)	(56,325)	(49,474)
Allowance for impairment of receivables	-	7	39	7
Interest income	(257)	(206)	(614)	(899)
Gain on disposal of available-for-sale financial assets	-	(235)	-	(235)
Depreciation of property, plant and equipment	1,354	1,274	4,027	3,396
Finance expenses	68	70	200	179
Expensing of share options	64	39	177	131
Property, plant and equipment written off	6	4	50	34
(Gain)/loss on disposal of property, plant and equipment	-	(4)	(1)	21
Inventories written off	29	15	34	38
Write-back of unclaimed dividends	-	-	-	(18)
Impairment in value of available-for-sale financial assets	210	-	210	-
Currency translation losses/(gains)	160	786	(100)	1,406
Operating profit before working capital changes	11,909	10,585	35,971	32,023
Decrease/(increase) in inventories	1,012	269	1,030	(625)
Decrease/(increase) in trade and other receivables	4,033	837	(3,221)	(2,420)
Increase/(decrease) in trade and other payables	1,118	3,531	(36)	3,953
Cash generated from operations	18,072	15,222	33,744	32,931
Investment income received	13,793	13,766	56,276	49,442
Interest income received	103	419	477	895
Net taxation paid	(3,084)	(2,812)	(6,993)	(7,457)
Net cash provided by operating activities	28,884	26,595	83,504	75,811
Cash flows from investing activities:				
Dividends from an associated company	-	600	5,375	2,505
Purchase of property, plant and equipment	(679)	(1,962)	(2,238)	(3,792)
Improvements to investment properties	(38)	(1,240)	(876)	(1,415)
Proceeds from sale of property, plant and equipment	-	5	2	5
Proceeds from disposal of available-for-sale financial assets	-	9,000	-	19,552
Purchase of available-for-sale financial assets	-	(5,871)	-	(11,867)
Net cash (used in)/provided by investing activities	(717)	532	2,263	4,988
Cash flows from financing activities:				
Payment of dividends to shareholders of the Company	(13,120)	(11,883)	(40,949)	(39,607)
Proceeds from issue of share capital	-	456	3,699	550
Interest expense paid	(71)	(67)	(205)	(185)
Bank deposits pledged	(1)	-	(13)	(6)
Proceeds from borrowings	-	5,871	-	11,868
Net cash used in financing activities	(13,192)	(5,623)	(37,468)	(27,380)
Net increase in cash and cash equivalents	14,975	21,504	48,299	53,419
Cash and cash equivalents at beginning of the period	183,002	118,392	149,460	87,430
Effects of currency translation on cash and cash equivalents	(249)	(114)	(31)	(1,067)
Cash and cash equivalents at end of the period	197,728	139,782	197,728	139,782
Cash and cash equivalents comprised the following:				
Cash and bank balances	17,465	17,441	17,465	17,441
Deposits with banks and financial institutions	181,928	123,891	181,928	123,891
Less: Bank deposits pledged for banker's guarantee	(1,665)	(1,550)	(1,665)	(1,550)
	197,728	139,782	197,728	139,782

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
The Group						
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	-	-	177	-	-	177
Dividends paid	-	-	-	-	(40,949)	(40,949)
Total comprehensive income/(expense) for the period	-	78,703	(34)	5,580	84,022	168,271
Balance at 30 September 2013	246,813	1,333,588	23,589	(7,959)	788,384	2,384,415
2012						
Balance at 1 January 2012	242,127	864,675	21,461	(4,308)	665,015	1,788,970
Issue of share capital	550	-	-	-	-	550
Expensing of share options	-	-	131	-	-	131
Dividends paid	-	-	-	-	(39,607)	(39,607)
Total comprehensive income/(expense) for the period	-	368,608	995	(10,089)	85,296	444,810
Balance at 30 September 2012	242,677	1,233,283	22,587	(14,397)	710,704	2,194,854

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	-	-	177	-	177
Dividends paid	-	-	-	(40,949)	(40,949)
Total comprehensive income for the period	-	200	-	16,212	16,412
Balance at 30 September 2013	246,813	147	3,086	185,101	435,147
2012					
Balance at 1 January 2012	242,127	(27)	2,736	189,222	434,058
Issue of share capital	550	-	-	-	550
Expensing of share options	-	-	131	-	131
Dividends paid	-	-	-	(39,607)	(39,607)
Total comprehensive income for the period	-	-	-	5,410	5,410
Balance at 30 September 2012	242,677	(27)	2,867	155,025	400,542

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 30 June 2013, no shares were issued pursuant to the exercise of share options.

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

The Haw Par Corporation Group 2002 Share Option Scheme	<u>30/09/13</u> 795,000	<u>30/9/12</u> 1,061,000
	<u>795,000</u>	<u>1,061,000</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.

Total number of issued shares	<u>30/09/13</u> 218,658,173	<u>31/12/12</u> 198,183,654
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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	
	3rd Quarter Ended 30 September 2013	2012	9 Months Ended 30 September 2013	2012
Earnings per ordinary share:				
(a) Based on the weighted average number of ordinary shares on issue *	10.2 cts	9.4 cts	38.5 cts	39.2 cts
(b) On a fully diluted basis *	10.2 cts	9.4 cts	38.4 cts	39.2 cts

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

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	
	30/09/13	31/12/12	30/09/13	31/12/12
Net asset value per ordinary share (S\$) ⁺	10.90	10.34	1.99	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).

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.**

3rd quarter ended 30 September 2013

Revenue for the Group increased by 2% to \$37.5m from 3Q2012. Profits from operations increased by 7% to \$24.1m, mainly contributed by higher turnover at Healthcare division.

Healthcare division reported a 13% increase in sales to \$28.4m due to strong consumer demands in certain key markets for traditional products and launch of new products in new territories. With an increase in revenue, coupled with higher gross margin over 3Q2012, Healthcare division achieved profits of \$7.3m, an increase of 74% from 3Q2012. Leisure division's revenue at \$4.7m and profits at \$0.6m decreased 37% and 79% respectively from same period last year, due to intense competition. With higher rental rates, Property division reported revenue of \$4.4m and profits of \$3.4m, an increase of 7% and 6% respectively.

9 months ended 30 September 2013

Revenue for 9M2013 at \$110.5m was 5% higher than 9M2012 due to higher contribution from Healthcare division, offset by lower revenue from Leisure division. Profits from operations at \$88.3m increased 14% from 9M2012, mainly due to higher profitability from Healthcare division and higher dividend income, offset by lower profits from Leisure division.

Healthcare division achieved an increase in revenue and profits of 17% and 72% to \$82.0m and \$21.2m respectively. Advertising and promotion efforts and launch of new products over the past years generated growth momentum in key markets. Leisure division reported a decrease in revenue and profits of 31% and 62% to \$15.9m and \$3.5m respectively due to intense competition from newer attractions. Property division's revenue of \$12.7m and profits of \$9.9m was on par with 9M2012. Investment income was 12% higher at \$56.5m mainly due to a special dividend received on UOB shares.

General and administrative expenses were lower by 17.9% at \$7.8m mainly due to foreign exchange differences.

Share of results of associated companies declined 87% to \$1.8m due to lower share of profits for current period and exceptional profits in 2012.

Trade and other receivables increased by 19% to \$21.2m, mainly due to the increases in the Healthcare division.

Net asset per share increased from \$10.34 to \$10.90, mainly due to higher fair value of available-for-sale financial assets. The figures 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 3Q 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.**

Except for Leisure division which would continue to face intensifying competition from newer and larger attractions, there are no other known factors or events that may affect the group in the next reporting period and the next 12 months.

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 30 September 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 9 months ended 30 September 2013 to be false or misleading.

BY ORDER OF THE BOARD

Zann Lim
Company Secretary
13 November 2013