

Unaudited First Quarter Financial Results for the Period Ended 31 March 2015

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 | | |
| | 2015 | 2014 | + / (-) |
| | S\$'000 | S\$'000 | % |
| Revenue | 45,552 | 38,395 | 18.6 |
| Cost of sales | (18,005) | (15,418) | 16.8 |
| Gross profit | 27,547 | 22,977 | 19.9 |
| Other income | 1,283 | 1,013 | 26.7 |
| Distribution and marketing expenses | (10,254) | (9,056) | 13.2 |
| General and administrative expenses | (2,493) | (2,497) | (0.2) |
| Finance expenses | (127) | (75) | 69.3 |
| Profit from operations | 15,956 | 12,362 | 29.1 |
| Share of results of associated companies and gain on dilution of investment in associated company (net) | 246 | 2,450 | (90.0) |
| Profit before taxation | 16,202 | 14,812 | 9.4 |
| Taxation | (2,747) | (2,646) | 3.8 |
| Profit for the period, net of tax | 13,455 | 12,166 | 10.6 |

A consolidated statement of comprehensive income for the quarter ended 31 March 2015:

| | Group | | |
|--|------------------------------|----------------|----------------|
| | Period Ended 31 March | | |
| | 2015 | 2014 | + / (-) |
| | S\$'000 | S\$'000 | % |
| Profit for the period, net of tax | 13,455 | 12,166 | 10.6 |
| 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) | (65,273) | 40,036 | (263.0) |
| Currency translation differences on consolidation of foreign entities (net) | 9,104 | 1,511 | 502.5 |
| Other comprehensive (expense)/income for the period, net of tax | (56,169) | 41,547 | (235.2) |
| Total comprehensive (expense)/income for the period | (42,714) | 53,713 | (179.5) |

N/M - not meaningful

Note:

As the 14.39% (Q1 2014: 14.28%) owned associate, Hua Han Bio-Pharmaceutical Holdings Limited ("HHBP") is not required to report quarterly results and is restricted by Hong Kong listing rules from releasing its results only to the Group, the above figures have not included the results of HHBP for the quarters ended 31 March 2015 and 2014.

1(a) Notes to the Income Statement

| | Group | | |
|---|------------------------------|---------------|-------------|
| | Period Ended 31 March | | |
| | 2015 | 2014 | + / (-) |
| | S\$'000 | S\$'000 | % |
| (i) Other income | | | |
| Investment income | 184 | 236 | (22.0) |
| Interest income | 511 | 258 | 98.1 |
| Miscellaneous income | 588 | 519 | 13.3 |
| | 1,283 | 1,013 | 26.7 |
| (ii) The following were charged/(credited) to the income statement : | | | |
| Interest on borrowings | 127 | 75 | 69.3 |
| Depreciation of property, plant and equipment | 1,334 | 1,160 | 15.0 |
| Loss on disposal and write-off of property, plant and equipment | 16 | 235 | (93.2) |
| Allowance for impairment of receivables | 8 | - | N/M |
| Inventories written down | 27 | 21 | 28.6 |
| Foreign exchange gain, net | (79) | (3) | N/M |
| Prior years' overprovision of current taxation | (88) | (13) | (576.9) |
| Prior years' underprovision of deferred taxation | 123 | 44 | 179.5 |
| (iii) Segmental results | | | |
| <u>Revenue</u> | | | |
| Healthcare | 38,621 | 29,947 | 29.0 |
| Leisure | 2,987 | 4,180 | (28.5) |
| Property | 3,944 | 4,268 | (7.6) |
| | 45,552 | 38,395 | 18.6 |
| <u>Profit/(loss) from operations</u> | | | |
| Healthcare | 13,543 | 8,827 | 53.4 |
| Leisure | (143) | 697 | (120.5) |
| Property | 2,988 | 3,273 | (8.7) |
| Investments | 542 | 387 | 40.1 |
| Unallocated expenses | (974) | (822) | 18.5 |
| | 15,956 | 12,362 | 29.1 |

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 | |
|---|---------------------|---------------------|---------------------|---------------------|
| | 31/03/15 S\$'000 | 31/12/14 S\$'000 | 31/03/15 S\$'000 | 31/12/14 S\$'000 |
| ASSETS | | | | |
| Non-current assets | | | | |
| Property, plant and equipment | 33,097 | 33,187 | - | - |
| Investment properties | 215,256 | 225,249 | - | - |
| Investment in subsidiaries | - | - | 381,957 | 381,957 |
| Investment in associated companies | 142,081 | 137,690 | 2,895 | 2,895 |
| Available-for-sale financial assets | 1,801,591 | 1,842,662 | 330 | 330 |
| Deferred income tax assets | 267 | 263 | - | - |
| Intangible assets | 11,116 | 11,116 | - | - |
| | 2,203,408 | 2,250,167 | 385,182 | 385,182 |
| Current assets | | | | |
| Available-for-sale financial assets | 442,439 | 468,830 | - | - |
| Inventories | 9,443 | 10,720 | - | - |
| Trade and other receivables | 29,615 | 19,911 | 121,876 | 121,464 |
| Cash and bank balances | 237,638 | 224,666 | 212,774 | 194,270 |
| | 719,135 | 724,127 | 334,650 | 315,734 |
| Investment property classified as held-for-sale | 10,078 | - | - | - |
| | 729,213 | 724,127 | 334,650 | 315,734 |
| Total assets | 2,932,621 | 2,974,294 | 719,832 | 700,916 |
| LIABILITIES | | | | |
| Current liabilities | | | | |
| Trade and other payables | 40,494 | 39,066 | 85,349 | 72,286 |
| Current income tax liabilities | 8,802 | 7,587 | 362 | 283 |
| Borrowings | 58,659 | 56,332 | 58,659 | 56,332 |
| | 107,955 | 102,985 | 144,370 | 128,901 |
| Non-current liabilities | | | | |
| Deferred income tax liabilities | 59,451 | 63,844 | - | - |
| | 59,451 | 63,844 | - | - |
| Total liabilities | 167,406 | 166,829 | 144,370 | 128,901 |
| NET ASSETS | 2,765,215 | 2,807,465 | 575,462 | 572,015 |
| EQUITY | | | | |
| Equity attributable to equity holders of the Company | | | | |
| Share capital | 249,102 | 248,722 | 249,102 | 248,722 |
| Retained profits | 900,626 | 887,171 | 322,745 | 319,762 |
| Other reserves | 1,615,487 | 1,671,572 | 3,615 | 3,531 |
| Total equity | 2,765,215 | 2,807,465 | 575,462 | 572,015 |

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

Amount repayable in one year or less, or on demand

| As at 31/03/15 | | As at 31/12/14 | |
|----------------|-----------|----------------|-----------|
| Secured | Unsecured | Secured | Unsecured |
| S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| 58,659 | - | 56,332 | - |

Amount repayable after one year

| As at 31/03/15 | | As at 31/12/14 | |
|----------------|-----------|----------------|-----------|
| 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 2015 S\$'000 | 2014 S\$'000 |
| Cash flows from operating activities: | | |
| Profit before tax | 16,202 | 14,812 |
| Adjustments for: | | |
| Share of results and dilution adjustments of associated companies | (246) | (2,450) |
| Depreciation of property, plant and equipment | 1,334 | 1,160 |
| Finance expenses | 127 | 75 |
| Expensing of share options | 84 | 67 |
| Inventories written down | 27 | 21 |
| Loss on disposal and write-off of property, plant and equipment | 16 | 235 |
| Allowance for impairment of receivables | 8 | - |
| Interest income | (511) | (258) |
| Investment income | (184) | (236) |
| Currency translation gains | (288) | (127) |
| Operating profit before working capital changes | 16,569 | 13,299 |
| Decrease in inventories | 1,250 | 162 |
| Decrease/(increase) in trade and other payables | 1,537 | (1,999) |
| Increase in trade and other receivables | (8,679) | (2,657) |
| Cash generated from operations | 10,677 | 8,805 |
| Investment income received | 120 | 182 |
| Interest income received | 69 | 211 |
| Net taxation paid | (2,069) | (713) |
| Net cash provided by operating activities | 8,797 | 8,485 |
| Cash flows from investing activities: | | |
| Dividends from an associated company | 3,669 | 4,960 |
| Purchase of property, plant and equipment | (241) | (993) |
| Improvements to investment properties | (110) | - |
| Proceeds from sale of property, plant and equipment | - | 2 |
| Purchase of available-for-sale financial assets | - | (33,853) |
| Net cash provided by/(used in) investing activities | 3,318 | (29,884) |
| Cash flows from financing activities: | | |
| Proceeds from issue of share capital | 380 | 583 |
| Bank deposits pledged | 10 | (1) |
| Interest expense paid | (127) | (69) |
| Proceeds from borrowings | - | 33,856 |
| Net cash provided by financing activities | 263 | 34,369 |
| Net increase in cash and cash equivalents | 12,378 | 12,970 |
| Cash and cash equivalents at beginning of the financial year | 223,061 | 208,606 |
| Effects of currency translation on cash and cash equivalents | 604 | 152 |
| Cash and cash equivalents at end of the period | 236,043 | 221,728 |
| Cash and cash equivalents comprised the following: | | |
| Cash and bank balances | 237,638 | 223,390 |
| Less: Bank deposits pledged for banker's guarantee | (1,595) | (1,662) |
| | 236,043 | 221,728 |

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 |
| <u>The Group</u> | | | | | | |
| 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 |
| 2014 | | | | | | |
| Balance at 1 January 2014 | 246,848 | 1,368,797 | 23,752 | (6,858) | 812,182 | 2,444,721 |
| Issue of share capital | 583 | - | - | - | - | 583 |
| Expensing of share options | - | - | 67 | - | - | 67 |
| Total comprehensive income for the period | - | 40,036 | - | 1,511 | 12,166 | 53,713 |
| Balance at 31 March 2014 | 247,431 | 1,408,833 | 23,819 | (5,347) | 824,348 | 2,499,084 |

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> | | | | | |
| 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 |
| 2014 | | | | | |
| Balance at 1 January 2014 | 246,848 | 103 | 3,150 | 266,219 | 516,320 |
| Issue of share capital | 583 | - | - | - | 583 |
| Expensing of share options | - | - | 67 | - | 67 |
| Total comprehensive income for the period | - | - | - | 4,578 | 4,578 |
| Balance at 31 March 2014 | 247,431 | 103 | 3,217 | 270,797 | 521,548 |

- 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 2014, 62,000 shares were issued pursuant to the exercise of share options.

544,000 share options were granted at \$8.58 per ordinary share on 3 March 2015, of which 536,000 share options were accepted. During the period, 1,000 share options were cancelled.

As at 31 March 2015, unissued shares under the share option scheme of the Company were as follows:

| | | |
|--|-------------------------------------|------------------------------|
| The Haw Par Corporation Group 2002 Share Option Scheme | <u>31/03/15</u> 1,476,000 | <u>31/12/14</u> 1,003,000 |
| | <u>1,476,000</u> | <u>1,003,000</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>31/03/15</u> 219,024,173 | <u>31/12/14</u> 218,962,173 |
|-------------------------------|---------------------------------------|--------------------------------|

- 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 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 2014, 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.**

The Group adopted a number of new standards, amendments to standards and interpretations that are effective for annual periods beginning on or after 1 January 2015. The adoption of new standards, amendments to standards and interpretations did not result in any significant impact on the financial statements of the Group.

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 | |
| | 2015 | 2014 |
| Earnings per ordinary share: | | |
| (a) Based on the weighted average number of ordinary shares on issue | 6.1 cts | 5.6 cts |
| (b) On a fully diluted basis | 6.1 cts | 5.6 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 | |
|--|-----------------|-----------------|-----------------|-----------------|
| | 31/03/15 | 31/12/14 | 31/03/15 | 31/12/14 |
| Net asset value per ordinary share (S\$) | 12.63 | 12.82 | 2.63 | 2.61 |

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 (1Q2015 vs 1Q2014)

Group revenue increased 18.6% from \$38.4m to \$45.6m mainly from Healthcare. Earnings increased 10.6% to \$13.5m mainly due to higher profit from operations, partially reduced by an absence of gain on dilution of investment in an associated company.

Healthcare's revenue of \$38.6m increased by 29% compared to 1Q2014 due to increase in sales from key markets. Lower cost of raw materials and more favorable exchange rates improved margins, thereby increasing operating profit by 53.4% to \$13.5m. Leisure's revenue decreased 28.5% from lower visitorship at both Underwater World Singapore and Pattaya. As a result, Leisure suffered a loss of \$143k due to weaker tourist arrivals and competition from newer attractions. Revenue from Property of \$3.9m decreased 7.6% compared to 1Q2014 due to lower occupancy rates. Property's profit of \$3.0m decreased 8.7%.

Other income increased 26.7% mainly from higher interest income.

Distribution and marketing expenses increased 13.2% mainly from increase in promotion and advertising expenses in Healthcare.

Finance expenses increased \$52k or 69.3% due to increase in borrowings compared to the corresponding prior period.

Contribution from associated companies decreased \$2.2m due to gain on dilution of investment in associated company recorded in the corresponding prior period.

The Group recorded net fair value losses of \$65.3m on available-for-sale financial assets as a result of lower market prices of quoted equity investments as at 31 March 2015.

Statements of financial position (31 March 2015 vs 31 December 2014)

Inventories decreased 12% to \$9.4m at 1Q2015 mainly due to timing of purchase of raw materials and shipments of finished goods.

The Group has reclassified one of its investment properties valued at \$10.1m to property held-for-sale. The property is available for immediate sale in its present condition and its sale is highly probable.

Trade and other receivables increased \$9.7m or 48.7% mainly due to increase in sales from Healthcare.

Current income tax liabilities increased \$1.2m or 16% during the quarter due to higher tax provision and timing differences of tax payment to various tax authorities.

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 2015 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.**

Improving standards of living, particularly in Asia, and growth in tourist traffic globally will continue to benefit Healthcare, albeit in an even more challenging environment.

Leisure could be further affected by the overall weakness in the Singapore and Pattaya tourism sectors and competition from newer attractions.

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 31 March 2015.

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 2015 to be false or misleading.

**BY ORDER OF THE BOARD
HAW PAR CORPORATION LIMITED**

Zann Lim
Company Secretary
14 May 2015