

Unaudited Second Quarter Financial Results for the Period Ended 30 June 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			Group		
	2nd Quarter Ended 30 June			6 Months Ended 30 June		
	2015	2014	+ / (-)	2015	2014	+ / (-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	51,177	45,482	12.5	96,729	83,877	15.3
Cost of sales	(19,842)	(18,334)	8.2	(37,847)	(33,752)	12.1
Gross profit	31,335	27,148	15.4	58,882	50,125	17.5
Other income	48,170	48,648	(1.0)	49,453	49,661	(0.4)
Distribution and marketing expenses	(13,545)	(11,331)	19.5	(23,799)	(20,387)	16.7
General and administrative expenses	(3,054)	(2,650)	15.2	(5,547)	(5,147)	7.8
Finance expenses	(125)	(131)	(4.6)	(252)	(206)	22.3
Profit from operations	62,781	61,684	1.8	78,737	74,046	6.3
Equity accounting / gains on associated companies	55,785	2,350	2,273.8	56,031	4,800	1,067.3
Profit before taxation	118,566	64,034	85.2	134,768	78,846	70.9
Taxation	(2,689)	(2,346)	14.6	(5,436)	(4,992)	8.9
Profit for the period, net of tax	115,877	61,688	87.8	129,332	73,854	75.1

A consolidated statement of comprehensive income for the 2nd quarter and 6 months ended 30 June 2015:

	Group			Group		
	2nd Quarter Ended 30 June			6 Months Ended 30 June		
	2015	2014	+ / (-)	2015	2014	+ / (-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Profit for the period, net of tax	115,877	61,688	87.8	129,332	73,854	75.1
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)	(1,440)	88,153	(101.6)	(66,713)	128,189	(152.0)
Currency translation differences on consolidation of foreign entities (net)	(8,472)	(3,029)	179.7	632	(1,518)	(141.6)
Share of associated company's currency translation reserve through equity accounting	-	(740)	N/M	-	(740)	N/M
Share of associated company's other comprehensive income through equity accounting	-	1,942	N/M	-	1,942	N/M
Reclassification of currency translation reserve to profit or loss on reclassification of associated company to available-for-sale financial assets	(7,525)	-	N/M	(7,525)	-	N/M
Other comprehensive (expense)/income for the period, net of tax	(17,437)	86,326	N/M	(73,606)	127,873	N/M
Total comprehensive income for the period	98,440	148,014	(33.5)	55,726	201,727	(72.4)

N/M - not meaningful

Note:

During the quarter ended 30 June 2015, the Group's interest in associated company, Hua Han Bio-Pharmaceutical Holdings Limited ("HHBP") decreased to less than 10%. Accordingly, the Group reclassified its remaining interest in HHBP from associated company to available-for-sale financial assets.

For the six months ended 30 June 2015, the Group has not accounted for the results of HHBP prior to its reclassification to available-for-sale financial asset 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. However, as the recognition of the Group's share of results of HHBP will result in a corresponding adjustment to the Group's gains on disposal as set out on page 2, no impact to the Group's net profit or net asset is expected from accounting for the results of HHBP.

The comparatives for 2nd quarter and six months ended 30 June 2014 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		
	2015	2014	+ / (-)	2015	2014	+ / (-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
(i) Other income						
Investment income	47,061	48,006	(2.0)	47,245	48,242	(2.1)
Interest income	649	339	91.4	1,160	597	94.3
Gain on sale of investment property	250	-	N/M	250	-	N/M
Miscellaneous income	210	303	(30.7)	798	822	(2.9)
	48,170	48,648	(1.0)	49,453	49,661	(0.4)
(ii) The following were charged/(credited) to the income statement :						
Interest on borrowings	125	131	(4.6)	252	206	22.3
Depreciation of property, plant and equipment	1,331	1,561	(14.7)	2,665	2,721	(2.1)
Loss/(gain) on disposal and write-off of property, plant and equipment	9	(187)	N/M	25	48	(47.9)
Allowance for impairment of receivables	-	-	-	8	-	N/M
Inventories written down	40	18	122.2	67	39	71.8
Foreign exchange loss, net	289	359	(19.5)	210	356	(41.0)
Prior years' under/(over)provision of current taxation	96	(294)	N/M	8	(307)	N/M
Prior years' underprovision of deferred taxation	120	8	1,400.0	243	52	367.3
Gain on partial disposal of interest in associated company and deemed disposal on decognition of associated company	55,599	-	N/M	55,599	-	N/M
(iii) Segmental results						
<u>Revenue</u>						
Healthcare	44,420	37,234	19.3	83,041	67,181	23.6
Leisure	3,560	4,364	(18.4)	6,547	8,544	(23.4)
Property	3,197	3,884	(17.7)	7,141	8,152	(12.4)
	51,177	45,482	12.5	96,729	83,877	15.3
<u>Profit from operations</u>						
Healthcare	13,425	10,596	26.7	26,968	19,423	38.8
Leisure	437	1,077	(59.4)	294	1,774	(83.4)
Property	2,494	2,806	(11.1)	5,482	6,079	(9.8)
Investments	47,558	48,193	(1.3)	48,100	48,580	(1.0)
Unallocated expenses	(1,133)	(988)	14.7	(2,107)	(1,810)	16.4
	62,781	61,684	1.8	78,737	74,046	6.3

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	
	30/6/2015 S\$'000	31/12/2014 S\$'000	30/6/2015 S\$'000	31/12/2014 S\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	31,115	33,187	-	-
Investment properties	213,958	225,249	-	-
Investment in subsidiaries	-	-	381,957	381,957
Investment in associated companies	3,914	137,690	2,895	2,895
Available-for-sale financial assets	1,979,437	1,842,662	330	330
Deferred income tax assets	639	263	-	-
Intangible assets	11,116	11,116	-	-
	2,240,179	2,250,167	385,182	385,182
Current assets				
Available-for-sale financial assets	443,270	468,830	-	-
Inventories	9,864	10,720	-	-
Trade and other receivables	37,431	19,911	127,192	121,464
Cash and bank balances	271,008	224,666	236,768	194,270
	761,573	724,127	363,960	315,734
Total assets	3,001,752	2,974,294	749,142	700,916
LIABILITIES				
Current liabilities				
Trade and other payables	43,997	39,066	117,219	72,286
Current income tax liabilities	8,730	7,587	300	283
Borrowings	55,793	56,332	55,793	56,332
	108,520	102,985	173,312	128,901
Non-current liabilities				
Deferred income tax liabilities	59,534	63,844	-	-
	59,534	63,844	-	-
Total liabilities	168,054	166,829	173,312	128,901
NET ASSETS	2,833,698	2,807,465	575,830	572,015
EQUITY				
Equity attributable to equity holders of the Company				
Share capital	249,749	248,722	249,749	248,722
Retained profits	989,486	887,171	322,395	319,762
Other Reserves	1,594,463	1,671,572	3,686	3,531
Total equity	2,833,698	2,807,465	575,830	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 30/6/2015		As at 31/12/2014	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
55,793	-	56,332	-

Amount repayable after one year

As at 30/6/2015		As at 31/12/2014	
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	
	2015	2014	2015	2014
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities:				
Profit before tax	118,566	64,034	134,768	78,846
Adjustments for:				
Equity accounting / gains on associated companies	(55,785)	(2,350)	(56,031)	(4,800)
Investment income	(47,061)	(48,006)	(47,245)	(48,242)
Depreciation of property, plant and equipment	1,331	1,561	2,665	2,721
Interest income	(649)	(339)	(1,160)	(597)
Gain on sale of investment property	(250)	-	(250)	-
Finance expenses	125	131	252	206
Expensing of share options	71	68	155	135
Inventories written down	40	18	67	39
Loss/(gain) on disposal and write-off of property, plant and equipment	9	(187)	25	48
Allowance for impairment of receivables	-	-	8	-
Currency translation losses	436	194	148	67
Operating profit before working capital changes	16,833	15,124	33,402	28,423
(Increase)/decrease in inventories	(461)	(429)	789	(267)
Increase in trade and other receivables	(7,761)	(6,202)	(16,440)	(8,859)
Increase in trade and other payables	3,506	4,796	5,043	2,797
Cash generated from operations	12,117	13,289	22,794	22,094
Investment income received (Note)	38,622	259	38,742	441
Interest income received	566	282	635	493
Net taxation paid	(3,046)	(3,234)	(5,115)	(3,947)
Net cash provided by operating activities	48,259	10,596	57,056	19,081
Cash flows from investing activities:				
Proceeds from partial disposal of interest in associated company	99,322	-	99,322	-
Proceeds from sale of investment property	10,045	-	10,045	-
Dividends from an associated company	-	-	3,669	4,960
Purchase of additional interest in associated company	(72,755)	-	(72,755)	-
Purchase of available-for-sale financial assets	(20,256)	-	(20,256)	(33,853)
Purchase of property, plant and equipment	(194)	(358)	(435)	(1,351)
Improvements to investment properties	(104)	-	(214)	-
Proceeds from sale of property, plant and equipment	-	6	-	8
Net cash provided by/(used in) investing activities	16,058	(352)	19,376	(30,236)
Cash flows from financing activities:				
Proceeds from issue of share capital	647	1,171	1,027	1,754
Bank deposits pledged	63	3	73	2
Payment of dividends to shareholders of the Company	(30,675)	(30,652)	(30,675)	(30,652)
Interest expense paid	(129)	(151)	(256)	(220)
Proceeds from borrowings	-	-	-	33,856
Repayment of borrowings	-	(5,502)	-	(5,502)
Net cash used in financing activities	(30,094)	(35,131)	(29,831)	(762)
Net increase/(decrease) in cash and cash equivalents	34,223	(24,887)	46,601	(11,917)
Cash and cash equivalents at beginning of the period	236,043	221,728	223,061	208,606
Effects of currency translation on cash and cash equivalents	(790)	(428)	(186)	(276)
Cash and cash equivalents at end of the period	269,476	196,413	269,476	196,413
Cash and cash equivalents comprised the following:				
Cash and bank balances	271,008	198,072	271,008	198,072
Less: Bank deposits pledged for banker's guarantee	(1,532)	(1,659)	(1,532)	(1,659)
	269,476	196,413	269,476	196,413

Note: During the financial period, approximately \$8.5m (2014: \$47.7m) of investment income was received as non-cash available-for-sale financial assets in lieu of dividends.

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	1,027	-	-	-	-	1,027
Expensing of share options	-	-	155	-	-	155
Reclassification from share option reserve to retained profits on reclassification of investment in associated company to available-for-sale financial assets	-	-	(3,658)	-	3,658	-
Dividends paid	-	-	-	-	(30,675)	(30,675)
Total comprehensive (expense)/income for the period	-	(66,713)	-	(6,893)	129,332	55,726
Balance at 30 June 2015	249,749	1,581,892	22,543	(9,972)	989,486	2,833,698
2014						
Balance at 1 January 2014	246,848	1,368,797	23,752	(6,858)	812,182	2,444,721
Issue of share capital	1,754	-	-	-	-	1,754
Expensing of share options	-	-	135	-	-	135
Dividends paid	-	-	-	-	(30,652)	(30,652)
Total comprehensive income/(expense) for the period	-	128,189	1,942	(2,258)	73,854	201,727
Balance at 30 June 2014	248,602	1,496,986	25,829	(9,116)	855,384	2,617,685

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	1,027	-	-	-	1,027
Expensing of share options	-	-	155	-	155
Dividends paid	-	-	-	(30,675)	(30,675)
Total comprehensive income for the period	-	-	-	33,308	33,308
Balance at 30 June 2015	249,749	76	3,610	322,395	575,830
2014					
Balance at 1 January 2014	246,848	103	3,150	266,219	516,320
Issue of share capital	1,754	-	-	-	1,754
Expensing of share options	-	-	135	-	135
Dividends paid	-	-	-	(30,652)	(30,652)
Total comprehensive income for the period	-	-	-	34,224	34,224
Balance at 30 June 2014	248,602	103	3,285	269,791	521,781

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 2015, 84,000 shares were issued pursuant to the exercise of share options.

As at 30 June 2015, unissued shares under the share option scheme of the Company were as follows:

	<u>30/06/15</u>	<u>30/06/14</u>
The Haw Par Corporation Group 2002 Share Option Scheme	<u>1,386,000</u>	<u>1,035,000</u>
	<u>1,386,000</u>	<u>1,035,000</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>30/06/15</u>	<u>31/12/14</u>
Total number of issued shares	<u>219,108,173</u>	<u>218,962,173</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 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 for accounting of associated companies as set out in the note 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.

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 results 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		Group	
	2nd Quarter Ended 30 June 2015	2014	6 Months Ended 30 June 2015	2014
Earnings per ordinary share:				
(a) Based on the weighted average number of ordinary shares on issue	52.9 cts	28.2 cts	59.0 cts	33.8 cts
(b) On a fully diluted basis	52.9 cts	28.2 cts	59.0 cts	33.8 cts

The Earnings per share for the current period has not incorporated the share of results of the Hong Kong listed associate, Hua Han Bio-Pharmaceutical Holdings Limited, due to difference in reporting timeline. However, it is not expected to have a material impact on Earnings per share as the associated company has been reclassified to available-for-sale financial asset.

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	
	30/06/15	31/12/14	30/06/15	31/12/14
Net asset value per ordinary share (S\$)	12.93	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

2nd quarter ended 30 June 2015

Group revenue increased 12.5% from \$45.5m to \$51.2m for 2Q2015 mainly from Healthcare. Earnings increased 87.8% to \$115.9m due to higher profit from operations, gains from partial disposal and reclassification of Hua Han shares.

Healthcare's revenue of \$44.4m increased by 19.3% compared to 2Q2014 due to continued increase in sales from key markets. Its operating profit increased by 26.7% to \$13.4m due to higher sales and lower cost of raw materials. Leisure's revenue decreased 18.4% from lower visitorship due to weaker tourist arrivals and competition for both Underwater World Singapore and Pattaya. Profit from Leisure decreased 59.4% as a result of lower revenue. Revenue from Property of \$3.2m decreased 17.7% compared to 2Q2014 due to lower occupancy rates. Property's profit of \$2.5m decreased 11.1%.

The Group sold one of its investment properties in 2Q2015 resulting in a net gain of \$0.25m, reflecting the change in fair value from 31 December 2014 to its selling price of \$10m.

Share of results of associated companies /gains on an associated company of \$55.8m in 2Q2015 mainly consisted of gains from partial disposal and reclassification of Hua Han.

6 months ended 30 June 2015

Revenue increased 15.3% to \$96.7m and profit from operations increased 6.3% to \$78.1m were mainly contributed by increase in sales from Healthcare.

Healthcare's revenue of \$83.0m and profit of \$27.0m increased 23.6% and 38.8% respectively over last year due to higher sales and margins in established key markets. Leisure showed a decline of 23.4% in revenue to \$6.5m and 83.4% in profit to \$294k respectively due to lower visitorship. The business segment remains cashflow positive. Property's revenue of \$7.1m and profit of \$5.5m for 1H2015 were 12.4% and 9.8% respectively lower than last year due to lower occupancy.

Distribution and marketing expenses at \$23.8m increased \$3.4m or 16.7% mainly from the increased in promotion and advertising expenses in Healthcare.

Finance expenses increased \$46k or 22.3% due to increase in borrowings compared to last year.

Statements of financial position and cashflow (30 June 2015 vs 31 December 2014)

In June 2015, the Group reclassified one of its associated companies, Hua Han to available-for-sale financial assets, which resulted in a reduction in investment in associated companies and an increase in available-for-sale financial assets.

Trade and other receivables increased \$17.5m or 88% mainly due to increase in sales from Healthcare.

Cash and bank balances increased 20.6% to \$271m from the increase in cash generated from operations, investment income received and partial disposal (net) of shares in associated company in 2Q2015.

Trade and other payables increased \$4.9m due to Healthcare's increase in business and operating expenses.

Current income tax liabilities increased \$1.1m or 15.1% during the period 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 2Q 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.**

Global uncertainties can have a dampening effect on our operations.

Leisure is likely to continue be adversely affected by weak tourism outlook in Singapore and 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.)**

	2015	2014
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 - 4 September 2015

- (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 25 August 2015, 5.00 p.m. . Duly completed transfers in respect of ordinary shares in the capital of the Company ("Shares") received by the Company's Registrar up to 5.00 p.m. on 25 August 2015 will be registered to determine shareholders' entitlement to the First & Interim Dividend. Shareholders whose securities accounts with The Central Depository (Pte) Limited which are credited with Shares as at 5.00 p.m. on 25 August 2015 will be entitled to such dividend.

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 2015 to be false or misleading.

BY ORDER OF THE BOARD

Zann Lim
Company Secretary
11 August 2015