

Unaudited First Quarter Financial Statements for the Period Ended 31 March 2014

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 | | |
| | 2014 | 2013 | + / (-) |
| | S\$'000 | S\$'000 | % |
| Revenue | 38,395 | 33,058 | 16.1 |
| Cost of sales | (15,418) | (14,636) | 5.3 |
| Gross profit | 22,977 | 18,422 | 24.7 |
| Other income | 1,013 | 902 | 12.3 |
| Distribution and marketing expenses | (9,056) | (7,609) | 19.0 |
| General and administrative expenses | (2,497) | (2,212) | 12.9 |
| Finance expenses | (75) | (65) | 15.4 |
| Profit from operations | 12,362 | 9,438 | 31.0 |
| Share of results of associated companies and gain on dilution of investment in associated company (net) | 2,450 | 206 | 1089.3 |
| Profit before taxation | 14,812 | 9,644 | 53.6 |
| Taxation | (2,646) | (1,991) | 32.9 |
| Profit for the period, net of tax | 12,166 | 7,653 | 59.0 |

A consolidated statement of comprehensive income for the quarter ended 31 March 2014:

| | Group | | |
|--|------------------------------|---------|---------|
| | Period Ended 31 March | | |
| | 2014 | 2013 | + / (-) |
| | S\$'000 | S\$'000 | % |
| Profit for the period, net of tax | 12,166 | 7,653 | 59.0 |
| Other comprehensive income, after tax, that may be reclassified subsequently to profit or loss: | | | |
| Fair value gains on available-for-sale financial assets (net) | 40,036 | 93,872 | (57.4) |
| Currency translation differences on consolidation of foreign entities (net) | 1,511 | 4,163 | (63.7) |
| Other comprehensive income for the period, net of tax | 41,547 | 98,035 | (57.6) |
| Total comprehensive income for the period | 53,713 | 105,688 | (49.2) |

N/M - not meaningful

Note:

As the 14.28% (Q1 2013: 16.0%) 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 2014 and 2013.

1(a) Notes to the Income Statement

| | Group | | |
|---|------------------------------|---------------|-------------|
| | Period Ended 31 March | | |
| | 2014 | 2013 | + / (-) |
| | S\$'000 | S\$'000 | % |
| (i) Other income | | | |
| Investment income | 236 | 124 | 90.3 |
| Interest income | 258 | 177 | 45.8 |
| Miscellaneous income | 519 | 601 | (13.6) |
| | 1,013 | 902 | 12.3 |
| (ii) The following were charged/(credited) to the income statement : | | | |
| Interest on borrowings | 75 | 65 | 15.4 |
| Depreciation of property, plant and equipment | 1,160 | 1,331 | (12.8) |
| Loss/(gain) on disposal and write-off of property, plant and equipment | 235 | (3) | N/M |
| Allowance for impairment of receivables | - | 38 | (100.0) |
| Inventories written down | 21 | 18 | 16.7 |
| Foreign exchange gain, net | (3) | (421) | 99.3 |
| Prior years' (over)/underprovision of current taxation | (13) | 106 | N/M |
| Prior years' under/(over)provision of deferred taxation | 44 | (54) | N/M |
| (iii) Segmental results | | | |
| <u>Revenue</u> | | | |
| Healthcare | 29,947 | 23,328 | 28.4 |
| Leisure | 4,180 | 5,657 | (26.1) |
| Property | 4,268 | 4,073 | 4.8 |
| | 38,395 | 33,058 | 16.1 |
| <u>Profit from operations</u> | | | |
| Healthcare | 8,827 | 5,430 | 62.6 |
| Leisure | 697 | 1,629 | (57.2) |
| Property | 3,273 | 3,110 | 5.2 |
| Investments | 387 | 304 | 27.3 |
| Unallocated expenses | (822) | (1,035) | (20.6) |
| | 12,362 | 9,438 | 31.0 |

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 | |
|---|---------------------|---------------------|---------------------|---------------------|
| | 31/03/14 S\$'000 | 31/12/13 S\$'000 | 31/03/14 S\$'000 | 31/12/13 S\$'000 |
| ASSETS | | | | |
| Non-current assets | | | | |
| Property, plant and equipment | 35,211 | 35,758 | - | - |
| Investment properties | 222,346 | 222,139 | - | - |
| Investment in subsidiaries | - | - | 381,957 | 381,957 |
| Investment in associated companies | 122,964 | 119,097 | 2,895 | 2,895 |
| Available-for-sale financial assets | 1,605,799 | 1,537,531 | 357 | 357 |
| Deferred income tax assets | 501 | 489 | - | - |
| Intangible assets | 11,116 | 11,116 | - | - |
| | 1,997,937 | 1,926,130 | 385,209 | 385,209 |
| Current assets | | | | |
| Available-for-sale financial assets | 404,236 | 397,197 | - | - |
| Inventories | 9,528 | 9,711 | - | - |
| Trade and other receivables | 20,497 | 22,671 | 122,291 | 85,064 |
| Cash and bank balances | 223,390 | 210,267 | 193,883 | 185,581 |
| | 657,651 | 639,846 | 316,174 | 270,645 |
| Total assets | 2,655,588 | 2,565,976 | 701,383 | 655,854 |
| LIABILITIES | | | | |
| Current liabilities | | | | |
| Trade and other payables | 34,867 | 36,996 | 121,640 | 115,564 |
| Current income tax liabilities | 9,005 | 6,901 | 252 | 186 |
| Borrowings | 57,943 | 23,784 | 57,943 | 23,784 |
| | 101,815 | 67,681 | 179,835 | 139,534 |
| Non-current liabilities | | | | |
| Deferred income tax liabilities | 54,689 | 53,574 | - | - |
| | 54,689 | 53,574 | - | - |
| Total liabilities | 156,504 | 121,255 | 179,835 | 139,534 |
| NET ASSETS | 2,499,084 | 2,444,721 | 521,548 | 516,320 |
| EQUITY | | | | |
| Equity attributable to equity holders of the Company | | | | |
| Share capital | 247,431 | 246,848 | 247,431 | 246,848 |
| Retained profits | 824,348 | 812,182 | 270,797 | 266,219 |
| Other reserves | 1,427,305 | 1,385,691 | 3,320 | 3,253 |
| Total equity | 2,499,084 | 2,444,721 | 521,548 | 516,320 |

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

Amount repayable in one year or less, or on demand

| As at 31/03/14 | | As at 31/12/13 | |
|----------------|-----------|----------------|-----------|
| Secured | Unsecured | Secured | Unsecured |
| S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| 57,943 | - | 23,784 | - |

Amount repayable after one year

| As at 31/03/14 | | As at 31/12/13 | |
|----------------|-----------|----------------|-----------|
| 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 | |
| | 2014 S\$'000 | 2013 S\$'000 |
| Cash flows from operating activities: | | |
| Profit before tax | 14,812 | 9,644 |
| Adjustments for: | | |
| Share of results and dilution adjustments of associated companies | (2,450) | (206) |
| Depreciation of property, plant and equipment | 1,160 | 1,331 |
| Interest income | (258) | (177) |
| Investment income | (236) | (124) |
| Loss/(gain) on disposal and write-off of property, plant and equipment | 235 | (3) |
| Finance expenses | 75 | 65 |
| Expensing of share options | 67 | 49 |
| Inventories written down | 21 | 18 |
| Allowance for impairment of receivables | - | 38 |
| Currency translation gains | (127) | (187) |
| Operating profit before working capital changes | 13,299 | 10,448 |
| Decrease/(increase) in inventories | 162 | (1,387) |
| Increase in trade and other receivables | (2,657) | (2,918) |
| Decrease in trade and other payables | (1,999) | (2,091) |
| Cash generated from operations | 8,805 | 4,052 |
| Investment income received | 182 | 75 |
| Interest income received | 211 | 142 |
| Net taxation paid | (713) | (450) |
| Net cash provided by operating activities | 8,485 | 3,819 |
| Cash flows from investing activities: | | |
| Dividends from an associated company | 4,960 | 5,375 |
| Purchase of property, plant and equipment | (993) | (1,291) |
| Improvements to investment properties | - | (376) |
| Proceeds from sale of property, plant and equipment | 2 | 19 |
| Purchase of available-for-sale financial assets | (33,853) | - |
| Net cash (used in)/provided by investing activities | (29,884) | 3,727 |
| Cash flows from financing activities: | | |
| Proceeds from issue of share capital | 583 | 2,117 |
| Interest expense paid | (69) | (65) |
| Bank deposits pledged | (1) | (20) |
| Proceeds from borrowings | 33,856 | - |
| Net cash provided by financing activities | 34,369 | 2,032 |
| Net increase in cash and cash equivalents | 12,970 | 9,578 |
| Cash and cash equivalents at beginning of the financial year | 208,606 | 149,460 |
| Effects of currency translation on cash and cash equivalents | 152 | 531 |
| Cash and cash equivalents at end of the period | 221,728 | 159,569 |
| Cash and cash equivalents comprised the following: | | |
| Cash and bank balances | 19,690 | 12,823 |
| Deposits with banks and financial institutions | 203,700 | 148,428 |
| Less: Bank deposits pledged for banker's guarantee | (1,662) | (1,682) |
| | 221,728 | 159,569 |

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> | | | | | | |
| 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 |
| 2013 | | | | | | |
| Balance at 1 January 2013 | 243,114 | 1,254,885 | 23,446 | (13,539) | 745,311 | 2,253,217 |
| Issue of share capital | 2,117 | - | - | - | - | 2,117 |
| Expensing of share options | - | - | 49 | - | - | 49 |
| Total comprehensive income for the period | - | 93,872 | - | 4,163 | 7,653 | 105,688 |
| Balance at 31 March 2013 | 245,231 | 1,348,757 | 23,495 | (9,376) | 752,964 | 2,361,071 |

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> | | | | | |
| 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 |
| 2013 | | | | | |
| Balance at 1 January 2013 | 243,114 | (53) | 2,909 | 209,838 | 455,808 |
| Issue of share capital | 2,117 | - | - | - | 2,117 |
| Expensing of share options | - | - | 49 | - | 49 |
| Total comprehensive expense for the period | - | - | - | (868) | (868) |
| Balance at 31 March 2013 | 245,231 | (53) | 2,958 | 208,970 | 457,106 |

- 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 2013, 97,000 shares were issued pursuant to the exercise of share options.

526,000 share options were granted at \$8.55 per ordinary share on 3 March 2014.

As at 31 March 2014, unissued shares under the share option scheme of the Company were as follows:

| | | |
|--|-------------------------------------|----------------------------|
| The Haw Par Corporation Group 2002 Share Option Scheme | <u>31/03/14</u> 1,218,000 | <u>31/12/13</u> 789,000 |
| | <u>1,218,000</u> | <u>789,000</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>31/03/14</u> | <u>31/12/13</u> |
| Total number of issued shares | <u>218,761,173</u> | <u>218,664,173</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 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 2014, the Group adopted FRS 110 *Consolidated Financial Statements* and FRS 112 *Disclosure of Interests in Other Entities*.

FRS 110 replaces all of the guidance on control and consolidation in FRS 27 “Consolidated and Separate Financial Statements” and INT FRS 12 “Consolidation – Special Purpose Entities”. The same criteria are now applied to all entities to determine control. Additional guidance is also provided to assist in the determination of control where this is difficult to assess.

FRS 112 requires disclosure of information that helps financial statement readers to evaluate the nature, risks and financial effects associated with the entity’s interests in (1) subsidiaries, (2) associates, (3) joint arrangements and (4) unconsolidated structured entities.

There was no material impact to the consolidated financial statements as a result of adopting the new FRSes.

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 2014 | 2013 |
| Earnings per ordinary share: | | |
| (a) Based on the weighted average number of ordinary shares on issue * | 5.6 cts | 3.5 cts |
| (b) On a fully diluted basis * | 5.6 cts | 3.5 cts |

* Comparatives have been restated to reflect the adjustments for the bonus issue of 1 bonus share for every 10 existing 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 | |
|--|-----------------|-----------------|-----------------|-----------------|
| | 31/03/14 | 31/12/13 | 31/03/14 | 31/12/13 |
| Net asset value per ordinary share (S\$) | 11.42 | 11.18 | 2.38 | 2.36 |

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.**

Group revenues at \$38.4m were 16% higher than 1Q2013. Profit from operations increased by 31% to \$12.4m, with increased contribution from Healthcare division offsetting decline from Leisure division. Group earnings for 1Q2014 were \$12.2m, 59% higher than 1Q2013 due to higher operating income and gain from dilution of associated company.

Healthcare division reported 63% higher profit of \$8.8m with a 28% increase in sales to \$29.9m mainly due to strong demand in key Asian markets. Leisure division's profit of \$0.7m was 57% lower than 1Q2013 as a result of intense competition. Profit from the Property division of \$3.3m was 5% higher than 1Q2013.

Current income tax liabilities increased \$2.1m due to higher tax liabilities for the quarter and timing differences of tax payment to various tax authorities.

Borrowings increased \$34.2m during the quarter due to hedging for foreign currency denominated assets.

Net asset per share increased from \$11.18 to \$11.42, mainly due to higher fair value of available-for-sale financial assets.

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 2014 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.**

Despite pockets of optimism in the global economy, the operating environment generally will continue to be subjected to the uncertainties of geo-political, economic and climatic factors world-wide.

The Leisure division is expected to continue to face intense competition.



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 2014.

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 2014 to be false or misleading.

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

Zann Lim
Company Secretary
14 May 2014