虎豹 Haw par

HAW PAR CORPORATION LIMITED

ANNUAL REPORT 2015

FOCUS
RESILIENCE
SUSTAINABILITY

CORPORATE PROFILE

Haw Par Corporation Limited has been listed on the Singapore Exchange since 1969.

Headquartered in Singapore, the Group's core healthcare and leisure businesses promote healthy lifestyles through its healthcare products and oceanariums.

Haw Par's healthcare products are manufactured and marketed under its various established brands - Tiger Balm and Kwan Loong. Tiger Balm, a renowned ointment, is used worldwide to invigorate the body as well as to relieve aches and pains. Its product extensions such as Tiger Balm Medicated Plaster, Tiger Balm Joint Rub, Tiger Balm Neck and Shoulder Rub, Tiger Balm Mosquito Repellent Patch and Tiger Balm ACTIVE range cater to the lifestyle needs of a new health-conscious generation.

The Group owns and operates two oceanariums, namely Underwater World Singapore at Sentosa and Underwater World Pattaya in Thailand.

The Group also has interests in investment properties and manages its own portfolio of investments in securities.

The Group's primary corporate strategy is to expand its core healthcare and leisure businesses through product extensions under its own established brands, form strategic alliances with partners in various key markets and explore acquisition of compatible businesses. It also aims to manage efficiently its portfolio of investments in properties and securities to achieve a reasonable return.

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"Over the decades, Haw Par has built up a strong balance sheet and cash position through prudent management."

I am pleased to report that Haw Par performed well in 2015, despite the challenging and volatile economic and geopolitical environment. The Group's turnover increased to $178.8 million with a strong contribution from Healthcare. Profit from operations and investments grew 24% to $139.3 million with an increase in dividend income from our strategic holdings. A once-off gain from an associated company boosted total earnings by 54% to $183.3 million in 2015.

Healthcare's revenue for 2015 increased 25% to $152.6 million. Its profits improved by 42% to $48.1 million. Leisure suffered an 18% decrease in revenue to $12.7 million due to intense competition and poor tourist sentiments, recording a loss of $4.3 million due mainly to a fixed assets impairment of $4.6 million. Property recorded a revenue of $13.5 million, representing a decrease of 17% year-on-year. Due to the general slowdown in the property market, profit at $9.9 million was 20% lower than that of the prior year.

During the year, the Group reduced its investment in Hong Kong-listed Hua Han Health Industry Holdings Limited (previously known as Hua Han Bio-Pharmaceutical Holdings Limited) as part of a portfolio rebalancing. The Group's remaining stake of 9.8% in Hua Han was reclassified to available-for-sale financial assets in the financial statements.

HIGHLIGHTS OF OPERATIONS

Healthcare's strategy to drive growth is focused on further product penetration across existing markets to widen the brand franchise for Tiger Balm. Pursuant to this strategy, new products were launched in several markets during the year. Sales of Tiger Balm's range of traditional and new products continued to grow in most of its key markets. Healthcare's results, fueled by an increase in demand for Tiger Balm products, are a clear validation of this strategy. Our margins improved due to lower commodity prices which also mitigated the pressures from rising staff costs amid tight labour markets.

Leisure continued to be adversely impacted by changing visitor demographics and stiff competition from newer attractions both in Singapore and Pattaya. Nevertheless, Underwater World Singapore and Underwater World Pattaya focused on maintaining their grip on key strongholds and were able to generate positive cash flow. To remain competitive, Underwater World Pattaya has also commenced progressively upgrading its facilities and displays.

DIVIDEND

The Board recommends a final tax-exempt (one-tier) dividend of 14 cents per share and a special dividend of 15 cents per share in view of extraordinary income recorded in the financial year. Together with the interim dividend of 6 cents paid in September, the total dividend per share for the financial year ended 31 December 2015 is 35 cents per share, or 75% higher than the 2014 dividend of 20 cents per share.

BUSINESS OUTLOOK AND STRATEGY

Looking ahead, 2016 is expected to experience frequent turbulence arising from an uncertain global economic environment. Unstable oil prices, interest rates, currencies and China's economic slowdown will present a challenging business environment which will affect consumer confidence. The Group will prepare itself to deal with the headwinds in the year ahead, with a disciplined approach in pursuing sustainable growth.

The competitive position of Tiger Balm as one of the world's leading topical analgesics is dependent on its ability to further strengthen its brand equity worldwide. Its range of product offerings tailored to meet the ever-changing lifestyle needs of consumers has put the brand in good stead to capitalise on the wellness trend. Tiger Balm's priority now is to harness the potential of its brand equity by accelerating the pace of introduction of new product offerings in selective new markets and deepening its distribution networks. While stricter healthcare regulatory frameworks will continue to raise the bar for market entry of new products, Tiger Balm is poised to grow its presence in key markets by building on the knowledge and experience gained.

Over the decades, Haw Par has built up a strong balance sheet and cash position through prudent management. Leveraging on our financial strength and global business networks, we seek to pursue investment opportunities that would enhance our earning contribution from operations through acquisition of compatible or new businesses. With the slowdown in the global economy, I am hopeful that there may be opportunities for prospective acquisitions by the Group.

ACKNOWLEDGEMENT

On behalf of the Board, I would like to thank our stakeholders including our customers, business associates and shareholders for their continuing support. Our team of management and staff worked tirelessly to uphold our values and I thank them for their commitment and devotion.

I would also like to pay tribute to my fellow Board members for their wise counsel and commitment in the past year.

Wee Cho Yaw
Chairman

过去数十年来，本集团通过严谨审慎的管理建立稳健的资产负债表及现金流量。

主席致辞

尽管面对充满挑战和不稳定的经济及地缘政治环境，集团在2015年仍取得良好的表现。营业额增至1亿7,880万元，其中来自保健产品销售的贡献突出。受益于策略性控股股息增长，营业及投资盈利增长24%，达到1亿3,930万元。来自一间联营公司的一次性收益，让集团在2015年的总计财年税后净盈利增加了54%，达到1亿8,330万元。

保健业务收入增长了25%，达到1亿5,260万元。盈利增长了42%，达到4,810万元。休闲业务因竞争激烈与游客人数下降，收入为1,270万元，较上年下降18%。因固定资产减值460万元的影响，蒙受430万元的亏损。物业收入为1,350万元，年比下降17%。在物业市场普遍放缓的情况下，盈利为990万元，较上年下降20%。

作为调整投资组合的一部分，集团减少对香港上市公司华瀚健康产业控股有限公司（旧称华瀚生物制药控股有限公司）的投资。剩余的9.8%股份已被重新归类为可供出售金融资产。

营运重点摘要

保健业务推动增长的策略重点在于进一步提高现有市场的产品渗透率，从而拓展虎标专营品牌。为此，集团在多个市场推出了新产品。随着虎标产品需求日益增加，所推出的传统与新产品都取得良好表现。业绩也因而增长，证明该策略的成功。集团利润率因较低的大宗商品价格而有所增加，也使得劳动力紧缺造成的员工成本上升压力有所缓解。

游客数量下降，以及新开放旅游景点的竞争，影响了新加坡和芭堤雅休闲业务。尽管如此，新加坡海底世界和芭堤雅海底世界仍专注于保持竞争优势，经营业务仍产生正向现金流。芭堤雅海底世界也开始逐步完成设施与展示的翻新，以保持景点的竞争力。

股息

鉴于本财年所取得的特出收入，董事局建议派发年终（单一）免税股息每股14分，以及特别股息每股15分。加上九月派发的中期股息每股6分，截至2015年12月31日财年的每股总计股息为35分，相比2014年的每股20分增加了75%。

业务展望及策略

全球经济环境不明朗，2016年预期将出现更多不稳定的变数。油价、利率与货币的波动，以及中国经济放缓将对营运环境造成挑战，影响消费者信心。为应付未来的挑战，本集团将需哦保持谨慎的态度，做好准备，争取可持续增长。

作为世界顶尖的外用镇痛药，虎标的市场定位取决于进一步强化国际品牌资产的能力。基于产品种类繁多，能够满足不同消费者日益改变的生活方式和需求，为集团的保健业务创造了引领潮流的契机。虎标的首要目标是致力于拓展品牌资产的潜能，在特定新市场迅速推出全新产品，以及深化分销网络。随着更严格的保健市场监管框架将继续提高新产品进入市场的标准，虎标产品势必凭着多年累积的经验与专长，在主要市场取得增长。

过去数十年来，本集团通过严谨审慎的管理建立稳健的资产负债表及现金流量。集团将利用稳固的资产和业务网络，寻求投资机会，通过收购兼容互补或全新的业务，巩固集团的核心业务。在全球经济放缓之际，集团将积极寻找潜在的收购良机。

致谢

本人谨此代表董事局感谢客户、商业伙伴和股东对本集团的长久支持，以及管理层及全体员工为坚守营运价值观所付出的努力和心血。

本人也对董事局同仁过去一年提供的真知灼见与奉献致以谢意。

黄祖耀
主席

HEALTHCARE

"Tiger Balm is poised to grow its presence in key markets by building on the knowledge and experience gained."

LEISURE

PROPERTY & INVESTMENT

WEE CHO YAW

Non-Executive &
Non-Independent Chairman

Dr Wee Cho Yaw, aged 87, has been Chairman of the Company and of the Haw Par Group since 1978. He was appointed to the Board on 31 October 1975 and was last re-appointed on 28 April 2015. He is the Chairman of the Investment Committee and a member of the Remuneration and Nominating Committees.

A veteran banker with more than 50 years' experience in the banking industry, Dr Wee is Chairman Emeritus and Adviser of United Overseas Bank Limited and Far Eastern Bank Limited. He also chairs the boards of United Overseas Insurance Limited, UOL Group Limited, Pan Pacific Hotels Group Limited, United Industrial Corporation Limited, Marina Centre Holdings Private Limited, and Wee Foundation. Previously, he was the Chairman of United International Securities Limited and Singapore Land Limited. Dr Wee is also a Director of Chung Cheng High School. He is the Honorary President of the Singapore Federation of Chinese Clan Associations, Singapore Hokkien Huay Kuan and Singapore Chinese Chamber of Commerce & Industry.

Dr Wee received Chinese high school education. He was conferred an Honorary Degree of Doctor of Letters by National University of Singapore in 2008. He received a second Honorary Degree of Doctor of Letters from Nanyang Technological University in 2014. Both Degrees were conferred in recognition of his long-standing support of education and outstanding contributions to community welfare and the business community. In 2011, he received the Distinguished Service Order, Singapore's highest National Day Award, from the President of Singapore for his outstanding contributions to the economic, education, social and community development fields in Singapore. He is currently the Pro-Chancellor of Nanyang Technological University, having been appointed since 2004.

Dr Wee was conferred the Businessman Of The Year award twice at the Singapore Business Awards in 2001 and 1990. He received the inaugural Credit Suisse-Ernst & Young Lifetime Achievement Award in 2006 for his exceptional achievements in the Singapore business community. The *Asian Banker* presented the Lifetime Achievement Award to him in 2009.

WEE EE-CHAO

Deputy Chairman &
Non-Executive Director

Mr Wee Ee-chao, aged 61, is a non-executive and non-independent director. He was appointed to the Board on 8 July 2003 and was last re-elected on 28 April 2015. He was appointed as the Deputy Chairman of the Board on 25 February 2016.

Mr Wee is the Chairman and Managing Director of UOB-Kay Hian Holdings Limited. He is a Director of UOL Group Limited and Wee Foundation. He also manages Kheng Leong Company (Private) Limited which is involved in real estate development and investments.

He was a Director of Pan Pacific Hotels Group Limited.

He holds a Bachelor of Business Administration degree from The American University, Washington DC, USA.

WEE EE LIM
President & CEO

Mr Wee Ee Lim, aged 54, joined the Group in 1986 and became President & CEO of Haw Par Corporation Limited in 2003. He was appointed to the Board on 23 March 1994 and was last re-elected on 28 April 2015. Mr Wee is a member of the Investment Committee. He has been closely involved in the management and growth of the Group over the last 29 years.

He is a Director and Deputy Chairman of UOL Group Limited. He is a Director of United Industrial Corporation Limited and Wee Foundation.

He was a Director of Pan Pacific Hotels Group Limited, Singapore Land Limited and Hua Han Bio-Pharmaceutical Holdings Limited (a company listed on the Hong Kong Stock Exchange).

He holds a Bachelor of Arts (Economics) degree from Clark University, USA.

SAT PAL KHATTAR
Independent Director

Mr Sat Pal Khattar, aged 73, was a founding partner and later consultant in Messrs KhattarWong with over 40 years' experience in the legal profession. He was appointed to the Board on 1 January 1977 and was last re-appointed on 28 April 2015. He is Chairman of the Remuneration and Nominating Committees.

He is the Chairman and Director of Khattar Holdings Pte Ltd Group of Companies which is principally engaged in investments.

He was Chairman of Guocoland Limited, Director of Guoco Group Limited and GuocoLeisure Limited.

He was also Chairman of the Board of Trustees of the Singapore Business Federation and Member of Presidential Council for Minority Rights.

He holds a LLM degree and LLB (Hons) degree from the University of Singapore.

He was presented the SICCI-DBS Singapore-India Business Award in 2009 and was bestowed the Padma Shri award by the President of India in 2011.

HWANG SOO JIN
Independent Director

Mr Hwang Soo Jin, aged 80, is a chartered insurer with more than 50 years of business experience. He was appointed to the Board on 28 October 1986 and was last re-appointed on 28 April 2015. He is a member of the Audit and Remuneration Committees.

Mr Hwang is the Chairman Emeritus, Director and Senior Advisor of Singapore Reinsurance Corporation Ltd, a Director of United Industrial Corporation Limited and United Overseas Insurance Limited.

He was a Director of Singapore Land Limited and a number of other publicly listed companies previously.

LEE SUAN YEW
Independent Director

Dr Lee Suan Yew, aged 82, is a medical practitioner with over 50 years' experience. He was appointed to the Board on 18 December 1995 and was last re-appointed on 28 April 2015. He is a member of the Nominating Committee.

Dr Lee is a Director of K1 Ventures Limited.

He was appointed Justice of the Peace in 1998. Dr Lee was President of the Singapore Medical Council for 4 years (2000 – 2004) and was also Chairman of the Singapore National Medical Ethics Committee (2007 and 2008). For his numerous public services, he was awarded the Public Service Star in 1991 and Public Service Star (Bar) in 2002.

He holds a M.B.B. Chir. degree from the University of Cambridge and MRCP and FRCP from the Royal College of Physicians, Glasgow.

DR CHEW KIA NGEE
Independent Director

Dr Chew Kia Ngee, aged 70, is a Chartered Accountant with about 40 years' experience in the public accounting profession. He was appointed to the Board on 11 May 2011 and was last re-elected on 28 April 2014. He is the Chairman of the Audit Committee.

He is a board member of the Singapore Eye Foundation and a member of the audit committee of Kong Meng San Phor Kark See Monastery.

He was the Chairman of AusGroup Ltd.

He holds a Bachelor of Economics (Honours) degree from the University of Malaya, a Master of Commerce from the University of Melbourne and a PhD in Business and Management from the University of South Australia.

He is a Fellow of the Institute of Chartered Accountants in Australia, CPA Australia and the Institute of Singapore Chartered Accountants.

BOARD OF DIRECTORS

PETER SIM SWEE YAM
Independent Director

Mr Peter Sim, aged 60, is a practising lawyer and Director of Sim Law Practice LLC and has more than 30 years of legal practice. He was appointed to the Board on 11 May 2011 and was last re-elected on 28 April 2014. He is a member of the Nominating Committee.

Mr Sim is currently an Independent Director of Lum Chang Holdings Ltd, Marco Polo Marine Ltd, Mun Siong Engineering Ltd and Singapore Reinsurance Corporation Ltd.

He sits on the Board of Young Men's Christian Association (YMCA) of Singapore and the Singapore Heart Foundation.

He was a Director of British and Malayan Trustees Limited and Latitude Tree International Group Ltd.

He holds a degree in law from the then University of Singapore (now known as the National University of Singapore).

He was awarded the Pingat Bakti Masyarakat in 2000 and Bintang Bakti Masyarakat in 2008.

GN HIANG MENG
Independent Director

Mr Gn, aged 67, is a Non-Executive Independent Director. He was appointed to the Board on 13 August 2014 and was last re-elected on 28 April 2015. He has more than 30 years of investment banking and hospitality industry experience. He is a member of the Audit Committee.

Mr Gn was a senior banker with the United Overseas Bank Group for 28 years. He was the Deputy President of UOL Group prior to his retirement in 2007.

He is currently a Non-Executive and Independent Director of Centurion Corporation Limited, Koh Brothers Group Limited, Tee International Limited and SingHaiyi Group Limited.

He was a Non-Executive and Independent Director of United International Securities Limited.

Mr Gn holds a Bachelor of Business Administration (Honours) degree from the National University of Singapore.

HAN AH KUAN
Executive Director

Mr Han Ah Kuan, aged 67, joined the Group in 1991 as the General Manager of Haw Par Healthcare Limited ("HPH") and was appointed as a director of HPH in 1995. He was appointed to the Board on 28 January 2005 and was last re-elected on 28 April 2015. He is a member of the Investment Committee.

He holds a Bachelor of Business Administration (Hons) degree from the University of Singapore.

CORPORATE INFORMATION

DIRECTORS

WEE CHO YAW
Chairman (Non-Executive)

WEE EE-CHAO
Deputy Chairman (Non-Executive)

WEE EE LIM
President & Chief Executive Officer

SAT PAL KHATTAR
Independent Director

HWANG SOO JIN
Independent Director

LEE SUAN YEW
Independent Director

CHEW KIA NGEE
Independent Director

PETER SIM SWEE YAM
Independent Director

GN HIANG MENG
Independent Director

HAN AH KUAN
Executive Director

AUDIT COMMITTEE

CHEW KIA NGEE
Chairman

HWANG SOO JIN

GN HIANG MENG

INVESTMENT COMMITTEE

WEE CHO YAW
Chairman

WEE EE LIM

HAN AH KUAN

ZANN LIM

NOMINATING COMMITTEE

SAT PAL KHATTAR
Chairman

WEE CHO YAW

LEE SUAN YEW

PETER SIM SWEE YAM

REMUNERATION COMMITTEE

SAT PAL KHATTAR
Chairman

WEE CHO YAW

HWANG SOO JIN

COMPANY SECRETARY

ZANN LIM

AUDITORS

PRICEWATERHOUSECOOPERS LLP
SIM HWEE CHER (FROM 2015)
Audit Partner-in-charge

REGISTRAR

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Website : www.hawpar.com
Reg. No : 196900437M

INVESTOR RELATIONS

Email: InvestorRelations@hawpar.com

KEY & SENIOR EXECUTIVES

TARN SIEN HAO
Group General Manager

Joined the Group in 2001 as Deputy General Manager (Corporate Development) and was promoted to the position of General Manager (Corporate Development) in 2005 and General Manager (Corporate Development and Property Division) in 2010. Appointed to the present position in 2012.

Holds a Master of Business Administration from the University of Dubuque.

ZANN LIM
Chief Financial Officer & Group Company Secretary

Joined the Group in 2006 as Group Finance Manager and promoted to Group Financial Controller & Group Company Secretary in 2008. Promoted to present position in 2013.

Holds a Master of Business Administration from INSEAD and Tsinghua University. A member of the Institute of Singapore Chartered Accountants.

SHIU SIEW LENG
Group Internal Audit Manager

Joined the Group in 1991 as Internal Auditor and promoted to Assistant Internal Audit Manager in 2003 and Internal Audit Manager in 2008. Promoted to the present position in 2012.

Holds a Bachelor's Degree in Accountancy from the National University of Singapore. A member of the Institute of Singapore Chartered Accountants.

GOH BEE LEONG
Director & General Manager (Manufacturing), Healthcare

Joined Haw Par Healthcare in 1977 as Quality Control Pharmacist. Promoted to present position in 2006.

Holds a Bachelor of Science (Pharmacy) from the University of Singapore.

KOW MUI LICK
Senior Manager (Quality & Regulatory Affairs), Healthcare

Joined Haw Par Healthcare in 1991 as QC/Laboratory Manager and promoted to Senior Manager (QC & QA) in 2007. Appointed to present position in 2011.

Holds a Bachelor of Science (Chemistry) from the University of Singapore.

NG WAH TONG
Deputy General Manager (Manufacturing), Healthcare

Joined Haw Par Healthcare in 2009 as Production Manager, promoted to Manufacturing Manager in 2012. Promoted to present position in 2013.

Holds a Bachelor of Science (Pharmacy) from the National University of Singapore.

JASMIN HONG
General Manager (Marketing), Healthcare

Joined Haw Par Healthcare in 2004 as Deputy General Manager (Marketing). Promoted to current position in 2014.

Holds a Bachelor of Commerce degree from the University of Melbourne.

KEETH CHUA
Deputy General Manager (Marketing), Healthcare

Joined Haw Par Healthcare in 2011 as Deputy General Manager (Marketing).

Holds a Bachelor of Business in Business Administration from the Royal Melbourne Institute of Technology.

KWEK MENG TIAM
Regional General Manager, Leisure

Joined Underwater World Singapore in 1991 as Maintenance Superintendent. Promoted to Operations Director in 2002 and General Manager of Underwater World Singapore Pte Ltd in 2005. Promoted to current position in 2010.

Holds a Bachelor of Arts in Business Studies, The Open University, UK.

PETER CHEW
General Manager, Underwater World Singapore

Joined Underwater World Singapore in 1994 as Front Office Executive. Seconded to PGF Golf Driving Range in 1998 as Range Manager. Returned to Underwater World Singapore as a Senior Marketing Executive in 2000. Promoted to Assistant Director (Sales & Marketing) in 2007 and to Deputy General Manager in 2010. Promoted to current position in 2012.

Holds a General Certificate of Education – Ordinary Level.

KELVIN WHANG
General Manager, Underwater World Pattaya

Joined Underwater World Pattaya in 2008 as Marketing Manager. Promoted to his present position in 2011.

Attended college education at Dominion College, Ontario.

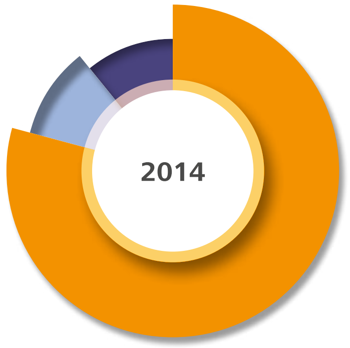
GROUP FINANCIAL HIGHLIGHTS

TURNOVER

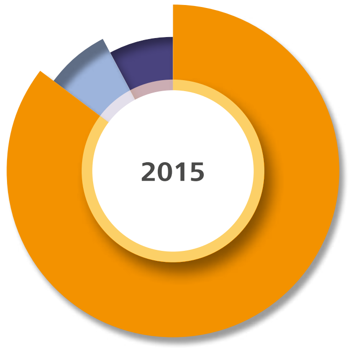
2015: $178.8M

2014: $154.2M

TURNOVER ($M)



	2014
Healthcare	122.2
Leisure	15.6
Property	16.4



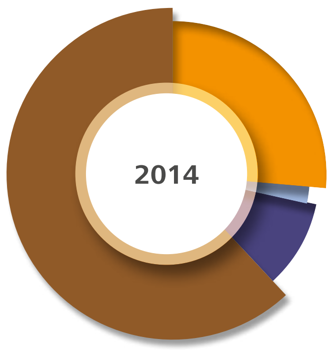
	2015
Healthcare	152.6
Leisure	12.7
Property	13.5

PROFIT BEFORE TAX

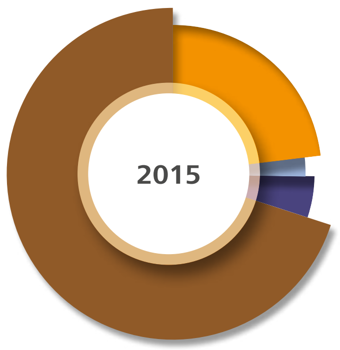
2015: $193.7M

2014: $127.0M

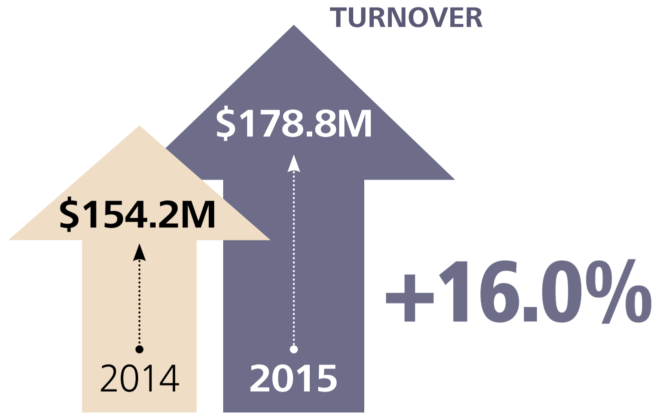
PROFIT CONTRIBUTION ($M)

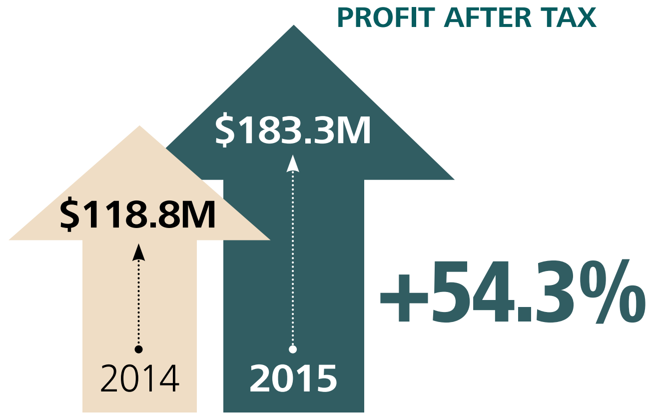


	2014
Healthcare	33.9
Leisure	2.5
Property	15.5
Investment	75.1



	2015
Healthcare	48.1
Leisure	(4.3)
Property	7.9
Investment	142.0





FINANCIAL HIGHLIGHTS

Group turnover increased 16% from $154.2 million to $178.8 million mainly from Healthcare. Profits from operations grew 24% to $139.3 million due to higher profit from Healthcare and increase in dividend income from investments. Profit after tax increased 54% to $183.3 million with higher contribution from Healthcare, investment income and associated companies.

Healthcare contributed a higher percentage of the Group's turnover from higher sales in key markets. Healthcare's profit increased 42% to $48.1 million from $33.9 million. Profit contribution from the Group's investment portfolio increased due to one-off equity gains from associated company and higher investment income.

FINANCIAL POSITION

Shareholders' funds decreased 10% to $2,535 million mainly due to lower market valuation of the Group's available-for-sale financial assets reflecting the volatility of the equity market. During the year, the Group also disposed part of its investment in associated company, Hua Han Health Industry Holdings Limited ("Hua Han"). The retained interest in Hua Han was subsequently reclassified from investment in associated company to available-for-sale financial assets. Based on cumulative cash dividends received and net proceeds from the partial disposal, the Group has recovered fully its cash capital cost invested in Hua Han. The Group's remaining investment in Hua Han represents unrealised cash profits in this investment.

Cash generated by operating activities and cash dividends received from investments was $124 million in 2015, with the Group ending the financial year with net cash balances of $314 million.

DIVIDENDS

In view of extraordinary income during the year, the Board of Directors are recommending a final dividend of 14 cents per share and special dividend of 15 cents per share to be approved by shareholders at the coming Annual General Meeting. Together with the interim dividend of 6 cents paid in September 2015, the total dividend per share for the financial year ended 31 December 2015 is 35 cents per share (2014: 20 cents per share).

FINANCIAL CALENDAR

Date	Event
14 May 2015	Announcement of 2015 1st quarter results
11 August 2015	Announcement of 2015 2nd quarter results
4 September 2015	Payment of 2015 First & Interim dividend
4 November 2015	Announcement of 2015 3rd quarter results
25 February 2016	Announcement of 2015 full-year audited results
7 April 2016	Announcement of Notice of Annual General Meeting
29 April 2016	47th Annual General Meeting
18 May 2016	Proposed books closure date for dividend entitlement
27 May 2016	Proposed payment of 2015 Second & Final dividend and Special dividend

2015 was a challenging year for several of our markets. Having to operate in the midst of political and civil unrests, terrorist attacks, economic downturns, and environmental disasters like the haze, it was fortunate that we managed to achieve growth in most key markets.

1 **Germany**
Integrated media campaigns to promote Tiger Balm Neck & Shoulder Rub with impactful advertising at the Berlin International Film Festival

2 **Taipei, Taiwan**
Young executives at the Syntrend Creative Park (三创园区) being given a massage with Tiger Balm Neck & Shoulder Rub during its launch

3 **Taipei, Taiwan**
Celebrity and graphic designer Kristy Cha-Ray Chu (曲家瑞) endorsed Tiger Balm Neck & Shoulder Rub at the media launch at the Syntrend Creative Park

4 **Australia**
The all-new TV commercial for Tiger Balm Neck & Shoulder Rub featuring TV Presenter Emma Mullings enjoying a "Massage-on-the-Go"

5 **Singapore**
Brand Ambassador for Tiger Balm ACTIVE Dipna Lim-Prasad sprinting off at the 400m Hurdles Finals at the 28th Southeast Asian Games held in Singapore

6 **Thailand**
Victory shot of runners who completed the Tiger Balm's Khao Yai Trail Marathon

Pursuing our strategy of launching new products into more markets has resulted in growing our consumer franchise with a wider spectrum of consumer appeal. Tiger Balm Neck and Shoulder Rub was launched in China mid-year and in Taiwan in December. The introduction of this product, mainly through digital media campaigns, resonated well with our consumers and trade. The ever growing number of young people using the electronic media and devices, such as mobile phones, was our target consumers for this product.

We continued to build on sports sponsorship in countries such as Singapore, Thailand and the United States, positioning Tiger Balm as the topical pain reliever of choice for athletes and the fitness-conscious. In Singapore, we maintained the sponsorship of Dipna Lim-Prasad, Singapore's National Hurdler, as the brand ambassador for the sub-brand Tiger Balm ACTIVE. Dipna went on to clinch the Silver medal for 400m hurdles for Singapore at the 28th Southeast Asian (SEA) Games in June. In the same month, Tiger Balm signed Christian Taylor - the US Olympic Gold Medallist in Triple Jump as its brand ambassador in the United States.

In Thailand, we organised our own marathon titled "Tiger Balm's Khao Yai Trail Marathon" in October, offering spectacular trail runs of various distances ranging from a 3.5 km fun-run to a full 42 km marathon at the foothills of the Khao Yai National Park. The event was announced on digital platforms popular with runners and was oversubscribed.

Building on this successful strategy we also started sponsoring marathons in India where we created awareness and trials for our Tiger Balm.

To drive top of mind and brand preference, we also invested in advertising that covered both online and offline media in various markets, including commercials on TV in our key markets such as Saudi Arabia. In selected countries, for instance Germany and Hong Kong, we ran online media campaigns to complement offline promotion.

We registered healthy growth in the sales of our Tiger Balm medicated plasters range, where consumers showed confidence in our brand despite aggressive competition from other established brands. Our Tiger Balm Mosquito Repellent Patch continued to do well this year.

The regulatory environment continues to place new demands on the topical analgesic industry, and several of our markets are imposing new and more stringent regulatory controls on our ingredients and products.

We can expect to face similar issues and challenges if not at a worsened level as we enter 2016. Nevertheless, we will take all possible measures to maintain our market share in the key markets through both investments in brand building and consumer franchise building exercises, as well as in new line extensions, expanding the product portfolio and increasing retail shelf presence.

TIGER BALM AVAILABILITY WORLDWIDE

AMERICA

Bahamas
Brazil
Canada
Jamaica
Mexico
Suriname
Trinidad & Tobago
USA

AUSTRALASIA

Australia
New Caledonia
New Zealand
Papua New Guinea

AFRICA

Kenya
Malawi
Mauritius

MIDDLE EAST

Bahrain
Iran
Israel
Kuwait
Oman
Qatar
Saudi Arabia
UAE
Yemen

EUROPE

Andorra
Austria
Belgium
Bosnia
Croatia
Denmark
Estonia
Finland
France
Germany
Gibraltar
Hercegovina
Holland
Hungary
Ireland
Latvia
Liechtenstein
Lithuania
Luxembourg
Macedonia
Malta
Norway
Portugal
Serbia
Slovenia
Spain
Sweden
Switzerland
United Kingdom

ASIA

Brunei
Cambodia
China
Hong Kong
India
Indonesia
Japan
Laos
Macau
Malaysia
Myanmar
Nepal
Pakistan
Philippines
Singapore
South Korea
Sri Lanka
Taiwan
Thailand
Vietnam

MANUFACTURING FACILITIES

1 **Decorator Crab at Underwater World Singapore in its Christmas best:** One of Nature's Best-dressed Animals

2 **Nemos at Underwater World Pattaya:** One of the World's Largest Showcases of Clownfish

In 2015, Underwater World Pattaya (UWP) focused its marketing efforts on growing tourist markets such as India and China which saw double-digit growth year-on-year, while Underwater World Singapore (UWS) continued to have a firm grip on its stronghold markets, even as both facilities experienced headwinds this year.

Events across Southeast Asia, notably the terrorist attack in Bangkok in August, flash floods in Pattaya in September and the prolonged haze which enveloped Singapore for two months, resulted in a drop in the number of visitors to the region. Stiff competition from existing and new attractions, including direct competitors within the immediate vicinity of UWP and UWS and the region, continued to impact the performance of the two aquariums.

Concerted efforts were made to further develop alternative sources of visitors and revenue streams. To attract tourists from the region, UWP advertised at the U-Tapao Airport, a local civil-military airport recently opened to commercial flights from the region, including Singapore, flying directly to Pattaya. UWP was also one of the six attractions in Pattaya selected by the Tourism Authority of Thailand to be featured in a media campaign to promote Pattaya as a weekend destination for tourists from Myanmar taking direct flights to Pattaya.

Building on their strengths in edutainment, UWP and UWS conducted outreach programmes to schools, both locally and beyond, to boost schools' take-up rate of their educational offerings and grow revenue from in-house programmes. UWS' Living-in-the-Ocean Sleepover programme offered at the Singapore Science Festival in July received good reviews.

Throughout the year, both aquariums rolled out unique events to generate publicity. New exhibits with mass appeal were also introduced to enrich guest experience and increase visitation. During the Songkran Festival in April, UWP launched one of the largest showcases of clownfish in the world featuring 21 out of 28 known species, of which 15 species are only available at UWP within Thailand. In November, UWS celebrated an early Christmas with the launch of an unusual 'Christmas Fashion Show' by the Decorator Crabs. Named by National Geographic as one of 'Nature's best-dressed animals', the Decorator Crab 'decorate' itself by attaching materials from its surroundings onto its shell to avoid predators.

The outlook for 2016 remains challenging given the intense competition in the tourism industry and the possibility of political and natural events affecting tourist arrivals. UWP and UWS will stay resilient and continue to focus on amplifying its unique propositions.

1 **Haw Par Centre** – a stone's throw away from Singapore's Orchard Road

2 **Menara Haw Par** – in the heart of the Golden Triangle in Kuala Lumpur

3 **Haw Par Technocentre** – a light industrial building located in Commonwealth Drive in Singapore

The Group's investment property portfolio comprises 45,399 square metres of commercial and industrial space in Singapore and Malaysia.

SINGAPORE

Haw Par Centre and Haw Par Glass Tower are two office buildings conveniently located in Clemenceau Avenue with a total lettable area of 13,567 square metres. Haw Par Technocentre is a light industrial building located in Commonwealth Drive with a total lettable area of 15,700 square metres. In 2015, the average occupancy for these properties varied between 70% and 90%. The increase in the supply of industrial space continued to cause a downward pressure on occupancy rate of our buildings. New tenancies have been secured, commencing in 2016.

MALAYSIA

Menara Haw Par, a freehold commercial building located in Kuala Lumpur's Golden Triangle along Jalan Sultan Ismail, has a net lettable area of 16,132 square metres.

A new frontage and a renovated lobby for the building were completed during the year, giving the building more visibility and also yielding a new café area. Improved occupancy is expected following the renovation, braving challenges from the persistent over-supply of office space in Kuala Lumpur.

HONG KONG

In view of a favourable offer received amid the changing economic climate in Hong Kong, the units at Westlands Centre, Quarry Bay, were disposed of during the year.

The performance of our properties in 2015 was lower than that of the previous year. Despite the over-supply in the segments in which we operate amid a lethargic global economy, we are on course to improving the overall take-up rate in 2016. Regardless of the circumstances, the good locations of our properties, together with our expertise in tenancy management, will help us weather through the difficult times ahead.

INVESTMENTS

The group has substantial investments in various securities that are actively managed under the guidance of the Investment Committee.

These strategic investments have provided the Group with a stable source of recurring dividend income and financial strength over the years.

THE KEY INVESTMENTS IN THE GROUP INCLUDE:

	No. of Shares		Fair Value		Gross Investment Income	
	2015	2014	2015	2014	2015	2014
Investment Portfolio Profile			$'000	$'000	$'000	$'000
Quoted Equity Securities						
United Overseas Bank Limited	70,396,770	69,692,097	1,380,481	1,707,456	76,661	51,312
UOL Group Limited	43,616,137	42,760,918	270,856	297,616	6,414	8,285
United Industrial Corporation Limited	68,821,107	68,197,350	196,828	228,461	2,046	2,027

1 Presentation of new Boccia equipment to a student from the Cerebral Palsy Alliance Singapore by Mr Wee Ee Lim, CEO of Haw Par Group

2 SDSC President Dr Teo-Koh Sock Miang, SDSC Vice President Mr Raja Singh, national basketball players from the Singapore Slingers and Haw Par staff at the Closing Ceremony of the National Disability League

3 Senior volunteers and MediaCorp's veteran artiste Chen Shucheng (陈澍城) dived into the Tunnel at Underwater World Singapore to celebrate the nation's 50th National Day

4 The elderly from Thye Hua Kwan Seniors Activity Centre with their young friends from Get Movin' for Charity enjoying a moment with Santa at Underwater World Singapore

As we bring health and wellness to the world, we are committed to giving back to the society and contributing towards environmental protection and conservation.

COMMUNITY

Haw Par has chosen to support the Singapore Disability Sports Council (SDSC) in 2015. The spirit of the SDSC athletes resonates with Haw Par's core value of resilience which brought Tiger Balm to where it is today. Undaunted by life's challenges, they overcome their physical and mental disabilities to excel in sports.

In celebration of SG50, Singapore's 50th Year of Independence, Haw Par remembers and salutes the resilient spirit of Singapore through our adoption of SDSC - the only organisation in Singapore that offers sporting opportunities for persons across all kinds of disabilities - as our charity partner. We provided support for the Boccia Sport and the 10th National Disability League (NDL) with a cash donation totalling S$125,000.

Boccia Sport – a target ball sport played by athletes with cerebral palsy and other locomotor disabilities – received funding from Haw Par for SDSC's Nurturing and Development Programme for Boccia, purchase of equipment, as well as transportation for the athletes to training venues. In May, children from the Cerebral Palsy Alliance of Singapore received new Boccia equipment from Haw Par for their 'Learn to Play Boccia' sessions. In 2015, the number of Boccia athletes under SDSC more than doubled, increasing from 21 in 2014 to 55 in 2015.

The 10th edition of the National Disability League (NDL) ran from August to October with 568 athletes participating in 14 sports. In addition to providing a platform for teams and individuals to gain competitive experiences they would not have had otherwise, the NDL was also one of the selection events to identify potential athletes for the various sports development programmes and regional and international games. Held across various venues in Singapore and open to the public, the NDL also helped to heighten public awareness.

It is heartening to see that, with Haw Par's sponsorship, the SDSC athletes were able to ramp up their training for the 8th ASEAN Para Games held in December, which was hosted by Singapore for the first time in conjunction with the SG50 celebration. Over 70 Haw Par staff turned up in force to cheer the SDSC athletes on with cheer cards at the Games.

To celebrate Singapore's Golden Jubilee, Underwater World Singapore (UWS) curated special events across 2015 to honour the Pioneer Generation who built the Singapore we know today.

In February, UWS celebrated Chinese New Year with a 3-generation 'Dive with the Sharks' campaign that encouraged youths to share new experiences with their parents and grandparents. In August, UWS staged an 'Underwater' National Day Ceremony led by MediaCorp's veteran artiste Chen Shucheng (陈澍城) and volunteers from the RSVP – The Organisation of Senior Volunteers. In December, 35 seniors in their 60s to 90s from the Thye Hua Kwan Seniors Activity Centre were treated to a Christmas party at UWS where they had a dynamic zumba fitness workout led by young volunteers from Get Movin' for Charity and shared high-fives with Underwater Santa.

Creating unforgettable moments for underprivileged children has always been a priority for our oceanariums. This year, UWS hosted three children with life-threatening medical conditions from the Make A Wish Foundation (Singapore) and also supported MediaCorp's effort to fulfil the dream of a teenager with muscular dystrophy to visit UWS with his parents. The project was part of MediaCorp's charity series titled The Joy Truck (快乐速递) broadcast on Channel 8.

At Underwater World Pattaya (UWP), 50 special needs children from Father Ray Foundation celebrated Father's Day on 4 December, a day before Thailand's National Father's Day on 5 December when the nation celebrated the birthday of their King, who is deeply respected by his people as the "Father of the Nation". Father Ray, an American priest who set up the Foundation, dedicated his life to caring for underprivileged children in Thailand, and is likened to a father to them. Through hosting the children from Father Ray Foundation, UWP furthered the good work which Father Ray had begun and paid respect to the King of Thailand.

5 Strong Haw Par staff support for the SDSC's Boccia athletes at the 2015 ASEAN Para Games

6 Bringing cheers and smiles to the children from Father Ray Foundation at Underwater World Pattaya

In 2015, Haw Par Healthcare also provided care and comfort to those in need in neighbouring countries, including the medical missions to Cambodia organised by the Lutheran World Mission and the Glory Presbyterian Church. Tiger Balm ointment - much needed by the rural villagers with little access to medical facilities – were given out at the medical mobile clinics.

In the United States, Tiger Balm continued its support for the ongoing fight against breast cancer through its sponsorship of the Avon 39 – The Walk to End Breast Cancer in Chicago, San Francisco and New York. At the events, walkers challenged themselves to walk 39 miles over two days to raise funds for breast cancer research, treatment and care. To help raise awareness, Tiger Balm featured the Avon Walk's labels on the packaging of Tiger Balm products and in designated online and print advertisements. 2015 marked the 4th year Tiger Balm has been supporting the Avon Walks, connecting with millions of Avon walkers on a common cause.

In Singapore, Hong Kong and other parts of the world, Tiger Balm supported numerous causes and charity runs/walks, cycling/golf tournaments and charity events through product sponsorships. Beneficiaries included charities like Cheung Sha Wan Kai Fong Welfare Association in Hong Kong, and in Singapore, Ren Ci Nursing Home, Assisi Hospice, Lee Ah Mooi Old Age Home, and Sian Chay Medical Institution – a charity that has been providing free medical consultation and medicine to the poor in Singapore since 1901.

ENVIRONMENT

As a global citizen, Haw Par Group has long recognised the importance of environmental protection and biodiversity conservation in the face of unprecedented rate of extinction of species that impacts life on Earth. In 2010, we supported the inaugural International Year of Biodiversity declared by the United Nations, and since 2011, we have been supporting the United Nations Decade on Biodiversity 2011 - 2020.

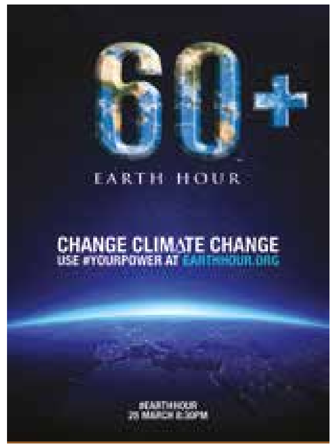
It is Haw Par's belief that the best way to support biodiversity conservation is through education that will help to nurture an appreciation of Earth's biodiversity and enable the public to understand and reconnect with Nature.

The tiger and the leopard, among the most endangered species on Earth, are of symbolic significance to Haw Par as our company and our founders are named after them. Over the years, we have supported tiger conservation efforts in a number of countries including India, Germany and the United States. To raise awareness on the importance of wildlife conservation and to support conservation education, the Group continued with its sponsorship of the Malayan Tiger Exhibit at the Night Safari of Singapore and the Leopard Exhibit at the Singapore Zoo. Our sponsorship for the Tiger Exhibit and Leopard Exhibit in Singapore can be traced back to 1995 and 1986 respectively.

At Underwater World Singapore (UWS) and Underwater World Pattaya (UWP), we have sought to raise public awareness on environmental conservation issues through our educational exhibits enhanced with informational signage.

In April 2015, UWP launched one of the largest showcases of clownfish in the world featuring 21 out of 28 known species under the genus *Amphiprion*, of which 15 species are only available at UWP within Thailand. In November 2015, UWS introduced a new exhibit that displayed the unique ability of the Decorator Crab (known scientifically as *Camposcia retusa*) to 'decorate' itself in order to avoid predators. Through the two exhibits, UWS and UWP called attention to the coral reef - the natural habitat of the clownfish and the Decorator Crab, which is beautiful and fragile, increasingly under threat from global warming.

Since 2009, Haw Par has been pledging its support for Earth Hour by switching off façade lights at UWS and UWP, and promoting the 3Rs – "Reduce, Reuse, Recycle" in their commentary for all the daily shows and feeding sessions at the oceanariums, encouraging guests to take action against climate change.

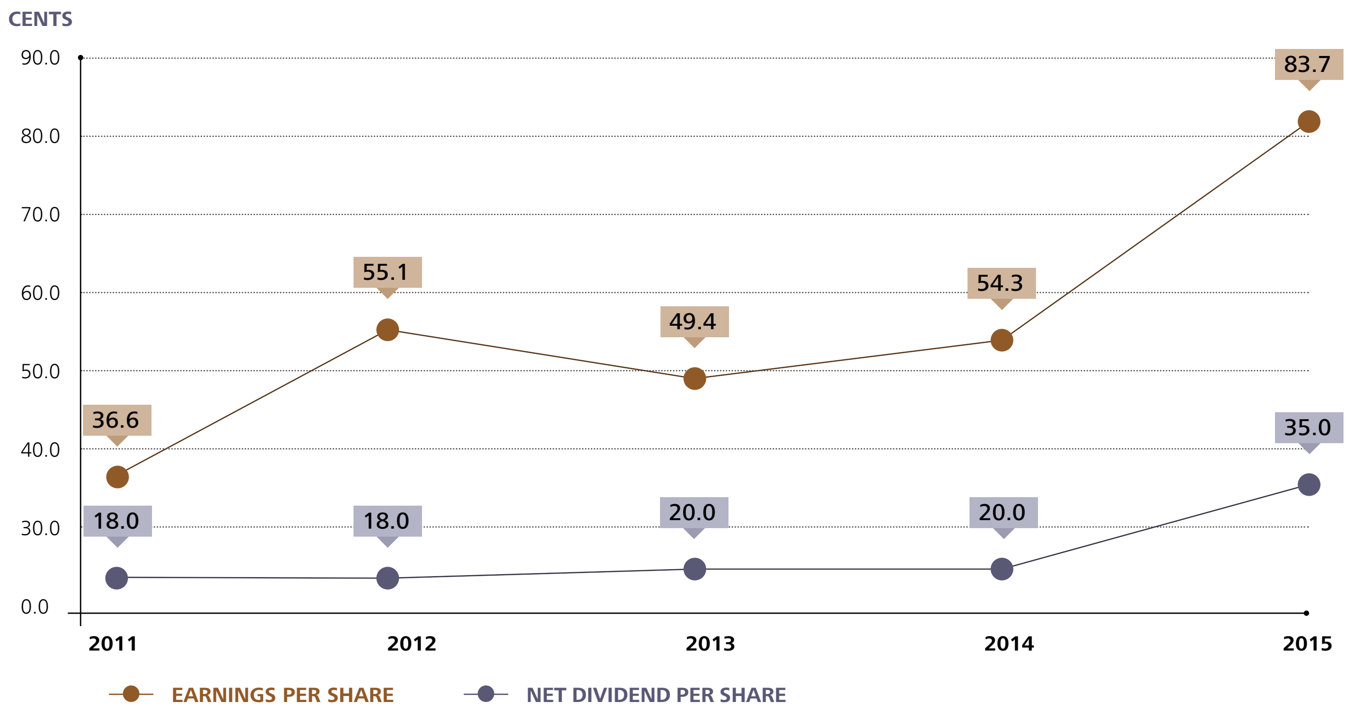


FIVE-YEAR FINANCIAL SUMMARY

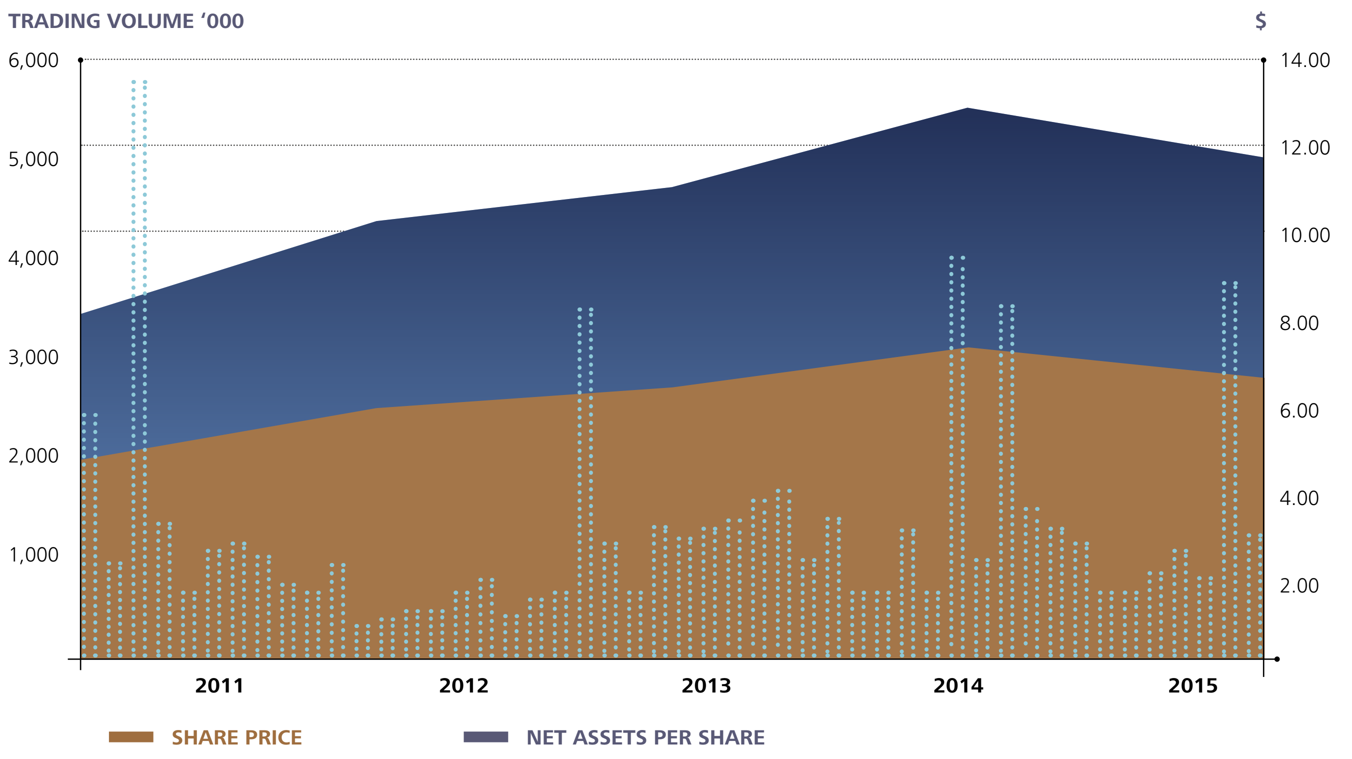
	2015	2014	2013	2012	2011
Results ($'000)					
Group turnover	**178,834**	154,222	141,176	139,349	132,675
Profit from operations	**139,256**	111,976	96,574	84,526	77,816
- Healthcare	**48,122**	33,885	25,871	17,155	15,643
- Leisure	**(4,340)**	2,513	3,776	11,881	(1,893)
- Property	**9,868**	12,377	13,395	12,925	13,138
- Investment	**88,419**	66,850	57,002	48,587	55,691
- Unallocated expenses	**(2,813)**	(3,649)	(3,470)	(6,022)	(4,763)
Associates' contribution	**56,376**	11,917	8,039	19,308	8,656
Fair values gains/(losses) on investment properties	**(1,967)**	3,075	10,664	23,492	(97)
Profit before taxation	**193,665**	126,968	115,277	127,326	86,375
Profit attributable to equity holders of the Company	**183,276**	118,825	107,919	119,965	79,808
Per share					
Earnings (cents)	**83.7**	54.3	49.4	55.1	36.6
Dividend net (cents)	**35.0***	20.0	20.0	18.0@	18.0@
Dividend cover (times)	**2.4**	2.7	2.5	3.1	2.0
Statement of Financial Position ($'000)					
Shareholders' funds	**2,535,123**	2,807,465	2,444,721	2,253,217	1,788,970
Property, plant and equipment	**24,406**	33,187	35,758	37,947	37,865
Investment properties	**210,823**	225,249	222,139	211,545	187,039
Associated companies	**3,859**	137,690	119,097	114,484	100,468
Available-for-sale financial assets ("AFS")	**2,080,555**	2,311,492	1,934,728	1,815,844	1,421,681
Intangible assets & other long term assets	**12,285**	11,379	11,605	11,718	11,717
Other net current assets (excluding AFS)	**251,282**	152,312	174,968	110,968	65,429
Long term liabilities	**(48,087)**	(63,844)	(53,574)	(49,289)	(35,229)
	2,535,123	2,807,465	2,444,721	2,253,217	1,788,970
Statistics					
Return on equity (%)	**7.2**	4.2	4.4	5.3	4.5
Net assets per share ($)	**11.57**	12.82	11.18	10.34	8.21
Debt/Equity (%)	**1.7**	2.0	1.0	1.0	0.7
Number of shareholders	**19,834**	20,039	20,316	20,821	21,216
Employees					
Number of employees	**546**	469	437	414	408
Group turnover per employee ($'000)	**328**	329	323	337	325
Pre-tax profit# per employee ($'000)	**358**	264	239	251	212

Exclude the fair value changes on investment properties.
* Includes special dividend of 15 cents.
@ Adjusted for bonus issue in 2013.

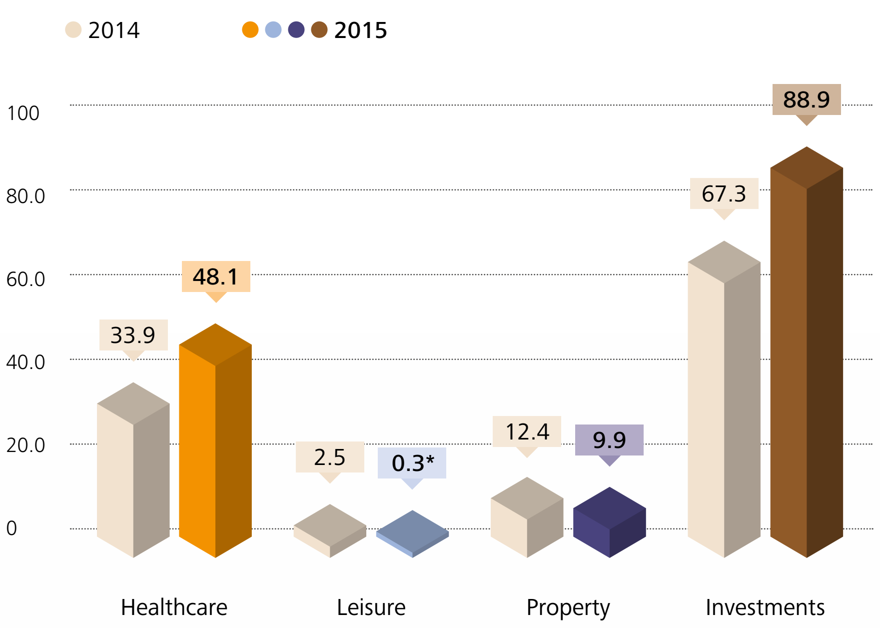
EARNINGS PER SHARE AND NET DIVIDEND PER SHARE



TRADING VOLUME, SHARE PRICE & NETS ASSETS PER SHARE



SEGMENT PROFITS BEFORE INTEREST EXPENSE AND TAX ($M)

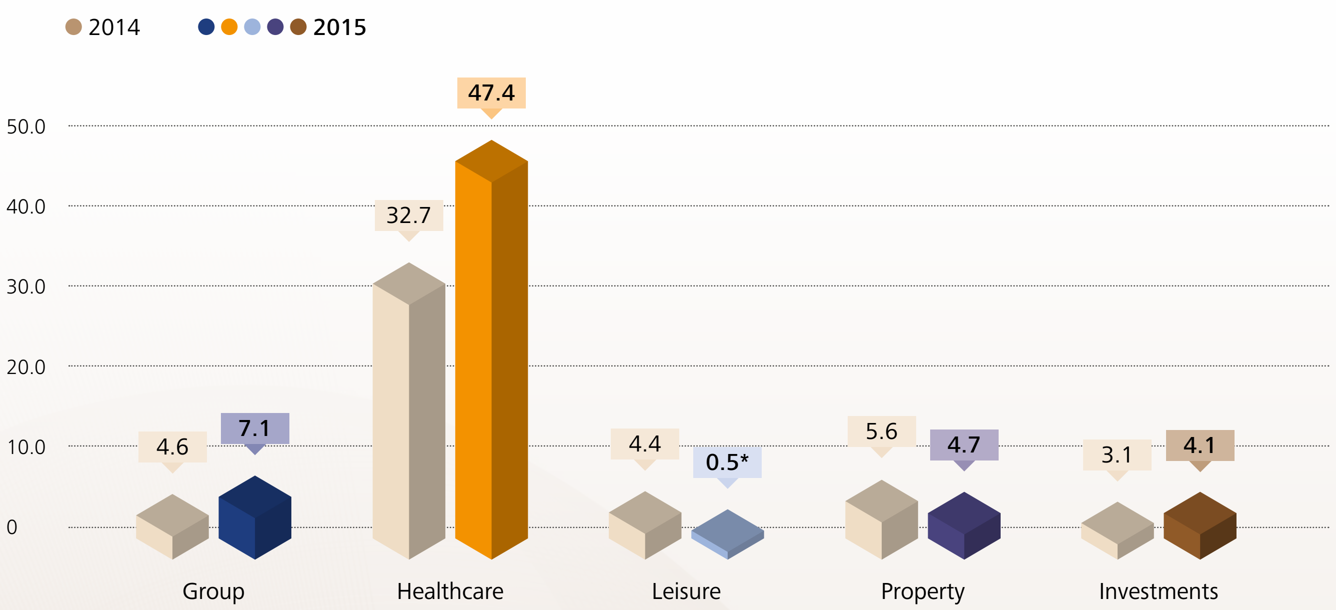


OVERVIEW

Group revenue at $178.8 million was 16% higher than 2014, with Healthcare reporting a 25% growth in revenue. Profits from both Healthcare and Investments grew 42% and 32% respectively. Group earnings increased 54% to $183.3 million due to better profitability from Healthcare, higher investment income and associated companies.

Earnings per share increased to 83.7 cents (2014: 54.3 cents). However, net tangible assets per share decreased to $11.57 (2014: $12.82) despite the increase in earnings due to lower market valuations of available-for-sale financial assets.

RETURN ON ASSETS EMPLOYED (%)



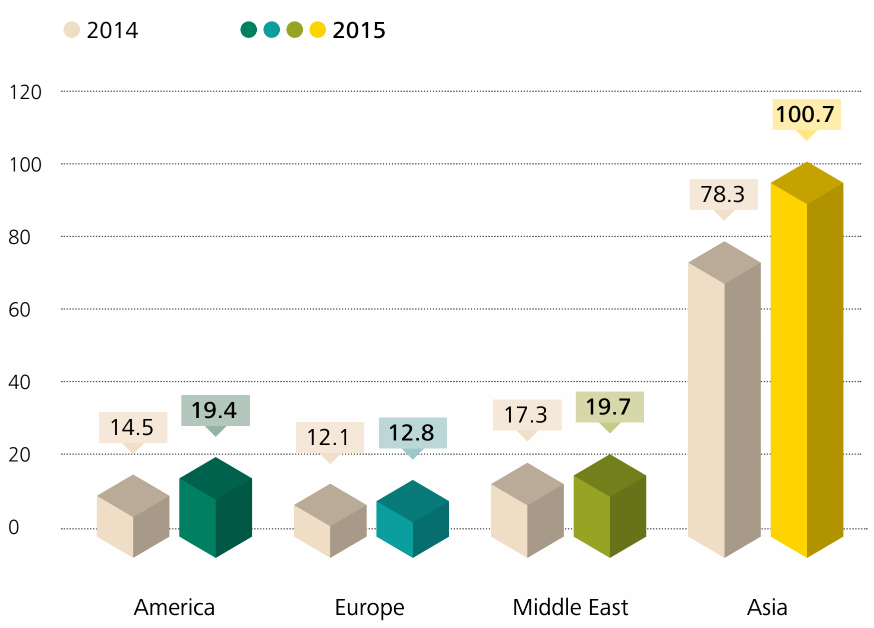
RETURN ON ASSETS EMPLOYED

The Group applies a Return of Assets Employed ("ROA") measure to evaluate the performance of its business operations. The ROA measures profitability of assets utilised by the various segments.

In 2015, the Group's ROA increased to 7.1% from 4.6%, from higher profitability in Healthcare and Investments, offset by decrease in profit from Leisure and Property. ROA of Healthcare division improved from 32.7% to 47.4%. The decline in ROA of Leisure to 0.5% is attributable to lower visitorship and competition from newer attractions. As a result of lower occupancy rate which impacted on profitability, ROA of Property decreased to 4.7%. ROA of Investments increased to 4.1% with higher dividend income received during the year and smaller asset base.

* Excludes effects of impairment of fixed assets at Underwater World Singapore.

HEALTHCARE SALES BY REGION ($M)

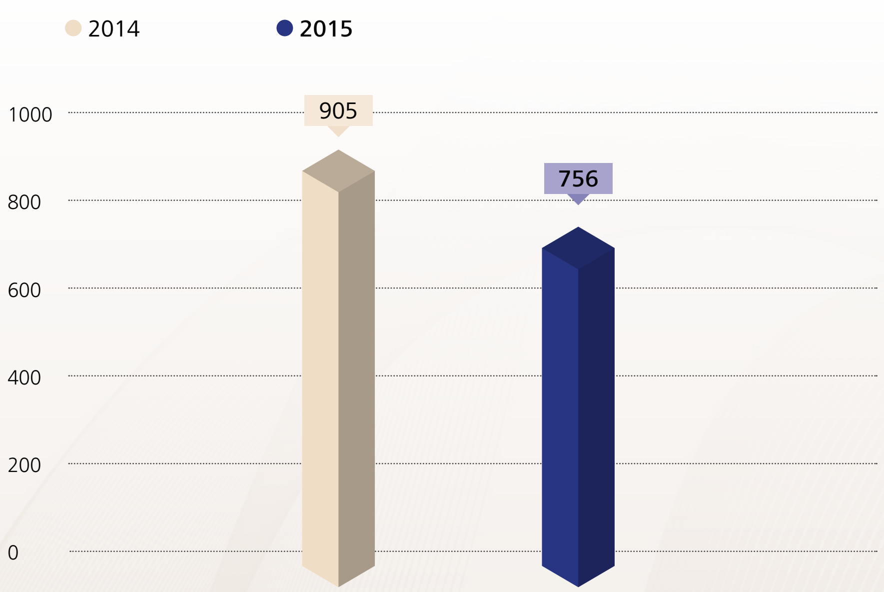


SEGMENTAL PERFORMANCE

HEALTHCARE

Healthcare's revenue of $152.6 million increased 25% compared to prior year. Higher sales to key markets during the year also resulted in higher revenue contribution especially from Asian countries. Sales to Americas and Asian regions grew 34% and 29% respectively from the previous year. Operating profits increased 42% to $48.1 million due to higher sales, lower cost of materials and more favourable exchange rates which helped improve margins.

VISITORSHIP OF AQUARIUMS ('000)

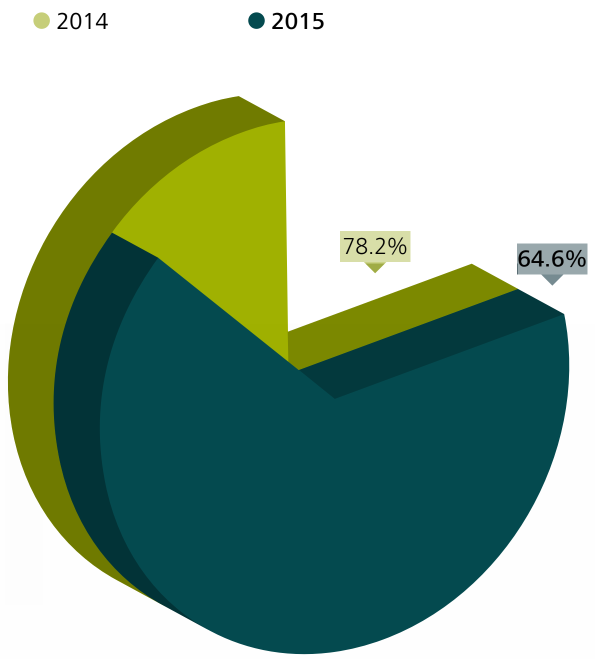


LEISURE

The number of visitors to the aquariums declined by 16% with weaker tourist sentiments and competition from newer attractions. Leisure contributed a lower revenue of $12.7 million in 2015 compared to $15.6 million in 2014 due to lower visitorship and yield. The segment recorded an impairment charge of $4.6 million on its fixed assets at Underwater World Singapore due to the challenging operating environment. Excluding the impairment charge, Leisure reported a profit of $0.3 million in 2015. The two aquariums remain cashflow positive.

Continuous upgrading of facilities and displays at Underwater World Pattaya are done to maintain competitiveness.

PROPERTY (BUILDING OCCUPANCY RATES)

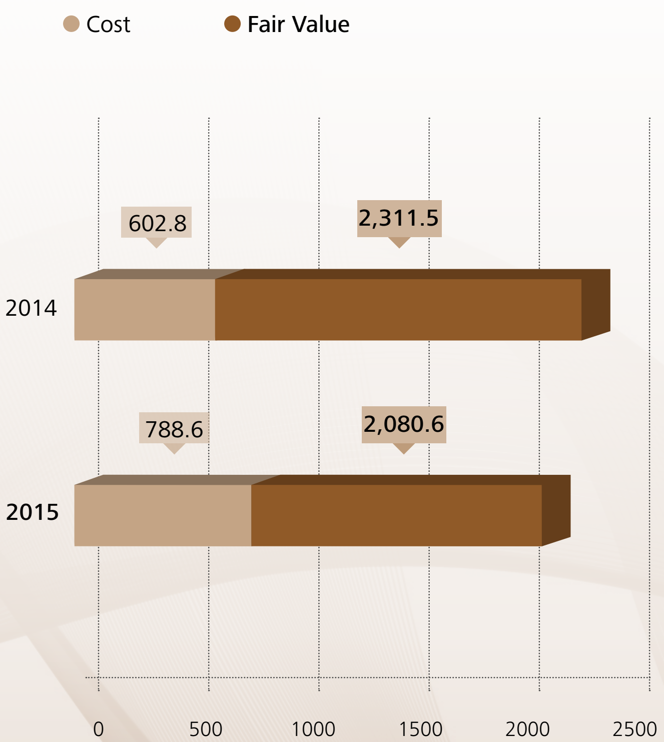


PROPERTY

Property revenue of $13.5 million decreased 17% and profit of $9.9 million decreased 20% as a result of lower occupancy. As a result of lower occupancy and subdued property market outlook, Property recorded a fair value loss of $2.0 million compared to $3.1 million gain in the previous year.

A commercial investment property in Hong Kong was disposed of during the year. The Group recorded a gain of $0.3 million, being the difference between the carrying amount of the property at fair value and net proceeds received. Compared to original cost, the Group realised a profit of $8.9 million from the sale of the property.

INVESTMENTS (COST VS FAIR VALUE) ($M)



INVESTMENTS

Dividend income from quoted equity investments increased 43% to $89.5 million (2014: $62.6 million) due mainly to higher dividends received from the Group's investment in its key strategic investments.

The increase in cost of investments portfolio was due mainly to the reclassification of the Group's retained interest in associated company, Hua Han, to available-for-sale financial assets measured at fair value of $154.5 million. Based on cumulative cash dividends received and net proceeds from the partial disposal, the Group has recovered fully its cash capital cost invested in Hua Han. The remaining investment in Hua Han represents unrealised cash gains in this investment.

The fair value of the Group's investment portfolio decreased from $2,311.5 million as of 31 December 2014 to $2,080.6 million as of 31 December 2015 mainly due to the decrease in share prices of equity investments. As a result of depressed equity market, net unrealised loss of $402.9 million from the changes in fair value of investments was recorded in the fair value reserve account in 2015.

Haw Par Corporation Limited (the "Company, together with its subsidiaries, the "Group") is committed to upholding good corporate governance practices in line with the principles and guidelines of the Code of Corporate Governance 2012 (the "Code"). The following sections describe the Group's corporate governance practices and structures that were in place during the financial year ended 31 December 2015 ("FY 2015").

BOARD MATTERS

Board's Conduct of its Affairs

The principal responsibilities of the Board include:

- approving strategic plans and annual budgets;
- approving major funding, investment and divestment proposals;
- ensuring that management establishes and maintains a sound system of internal controls, risk management, financial reporting and statutory compliance in order to safeguard shareholders' interests and the Group's assets;
- reviewing the performance of management in attaining agreed goals and objectives; and
- approving the announcement of financial results and declaring dividends.

All Board members bring their judgement and breadth of diversified knowledge and experience to bear on issues of strategy, performance, resources (including sustainability issues) and standards of conduct.

The Board meets at least four times a year to review the performance and business strategy of the Group. Meetings are scheduled in advance. Ad-hoc meetings can be called when there are important and urgent matters requiring the Board's consideration. Board approval in writing is sometimes needed in between scheduled meetings.

The Group has adopted internal guidelines which set out specific matters requiring Board approval. These written guidelines also include financial and non-financial limits of authority given to management to facilitate operational efficiency. Under the guidelines, Board approval is required for material transactions (above specified limits) such as joint ventures, mergers and acquisitions, as well as adoption and amendment of Group risk management policy.

The Board has delegated specific responsibilities to four Board Committees, which are the Audit, Nominating, Remuneration and Investment Committees.

The Board held four meetings during the year. Directors can attend Board and Board Committee meetings by telephone conference if they are unable to attend in person. The attendance of Directors at Annual General Meeting (AGM), Board and Board Committee meetings held in the financial year ended 31 December 2015 is as follows:

Table 1:
Number of meetings attended in FY 2015

Name	Board	Audit Committee	Nominating Committee	Remuneration Committee	Investment Committee	AGM
Wee Cho Yaw (Non-executive / Non-independent)	4[2]	N/A	1	1	6[2]	1
Wee Ee Lim[1] (Executive / Non-independent)	4	4	N/A	1	6	1
Sat Pal Khattar (Non-executive / Independent)	4	N/A	1[2]	1[2]	N/A	1
Chew Kia Ngee (Non-executive / Independent)	4	4[2]	N/A	N/A	N/A	1
Hwang Soo Jin (Non-executive / Independent)	4	4	N/A	1	N/A	1
Lee Suan Yew (Non-executive / Independent)	4	1[3]	1	N/A	N/A	1
Wee Ee-chao (Non-executive / Non-independent)	3	N/A	N/A	N/A	N/A	1
Peter Sim Swee Yam[5] (Non-executive / Independent)	4	N/A	N/A	N/A	N/A	1
Gn Hiang Meng (Non-executive / Independent)	4	3[4]	N/A	N/A	N/A	1
Han Ah Kuan (Executive / Non-independent)	4	N/A	N/A	N/A	6	1
Number of meetings held in FY2015	4	4	1	1	6	1

Notes:

(1) Mr Wee Ee Lim was in attendance to provide management's perspective at the meetings of the Audit and Remuneration Committees although he is not a member of either Board Committee.

(2) Denotes chairman of the Board / Board Committee.

(3) Dr Lee Suan Yew stepped down as a member of Audit Committee on 28 April 2015.

(4) Mr Gn Hiang Meng was appointed a member of Audit Committee on 28 April 2015.

(5) Mr Peter Sim was appointed a member of Nominating Committee on 28 April 2015.

Directors are appointed by way of formal letters of appointment which set out their duties and obligations. The Company has an orientation programme for newly appointed Directors. The programme is tailored according to the profile and experience of new directors. It includes training in areas such as operational knowledge or accounting updates, duties as directors and how to discharge those duties as well as meetings with key personnel to understand the Group's businesses, governance practices, strategic plans and objectives. Site visits are conducted as needed. The Company encourages directors to keep abreast of relevant new laws, regulations, changing commercial risks from time to time and arranges and funds the training of Directors to attend external courses and talks by professional organisations if needed. Directors are continuously updated on developments in the regulatory and business environment affecting the Group, through the Company Secretary and auditors (both internal and external). During the year, the Company has arranged for external lawyers to brief the Directors on the key highlights of new regulations including Companies (Amendment) Act 2014.

Board Composition and Guidance

The Board considers its present size of ten directors appropriate for the current scope and nature of the Group's operations. The Nominating Committee ("NC") has reviewed the composition of the present Board and is satisfied that the directors, as a group, possess core competencies in management experience, strategic planning, accounting, finance, and the necessary industry knowledge. The NC is aware of the importance of diversity of the Board composition (such as skills, experience, qualifications, core competencies, age, gender and race) and board appointments would continue to be based on merit and diversity factors.

The NC, having regard to the Code's guidance for assessing independence, has determined that the majority of Directors on the Board, being six Non-Executive Directors, namely Mr Sat Pal Khattar, Dr Lee Suan Yew, Mr Hwang Soo Jin, Dr Chew Kia Ngee, Mr Peter Sim and Mr Gn Hiang Meng, are Independent Directors, as indicated in Table 1 above, and that they have maintained their independence throughout the year.

Such Non-Executive Independent Directors have no relationships or connections which are likely to interfere, or could reasonably be perceived to interfere, with their independent business judgement with a view to the best interests of the Company. They are not substantial shareholders and are independent from the substantial shareholders of the Company.

The Non-Executive Independent Directors are not immediate family members of a 10% shareholder of the Company and were not directly associated with a 10% shareholder of the Company in the current or immediate past financial year. They and their immediate family members did not have any financial dealings with the Group whether in the current or immediate past financial year, nor are or were they or any of their immediate family members, during the current or immediate past financial year, a substantial shareholder of, or a partner in (with 10% or more stake), or an executive officer of, or a director of, any organisation to which the Group made, or from which the Group received, significant payments or material services (including auditing, banking, consulting and legal services) in the current or immediate past financial year. Also, neither they nor any of their immediate family members were in the past three financial years employed by the Group.

Although three of the directors, namely Mr Sat Pal Khattar, Dr Lee Suan Yew and Mr Hwang Soo Jin, have served as Non-Executive Directors for more than nine years each, the NC and the Board are of the view that their length of service does not compromise their objectivity in the discharge of their duties. Notes of Board and Board Committee meetings show that each of the three Directors continues to express his individual independent viewpoints and at all times the interests of the Company, Board and Committees were protected and enhanced by their length of service. Accordingly, the NC and the Board have determined that Mr Sat Pal Khattar, Dr Lee Suan Yew and Mr Hwang Soo Jin can continue to be designated as Independent Directors.

The Board will continue to look for new members who can serve the Board as older members step down in order to facilitate renewal of the Board.

Chairman and Chief Executive Officer

There is a clear division of the role and responsibilities between the Non-Executive Chairman of the Board ("Chairman") and the Chief Executive Officer ("CEO"), who is the son of the Chairman. The Chairman's principal role is to lead and guide the Board. The scope of responsibilities and limits of authority of the CEO are set out in a written mandate. The CEO executes the strategic directions set by the Board and is responsible for the Group's day-to-day operations. Although the Chairman and CEO are related, the Board is of the opinion that it is not necessary to appoint a lead independent director. Shareholders can approach any Independent Director for assistance through the Company Secretary, if he has any issues that affect shareholders generally. Where necessary, the independent Directors also have the discretion to meet without the presences of other Directors and they are able to provide feedback to the Chairman. The chairpersons of each of the board committees have sufficient standing and authority to look into any matter which management or executive directors fail to resolve.

Nominating Committee

The NC comprises four members, namely, Mr Sat Pal Khattar, Dr Wee Cho Yaw, Dr Lee Suan Yew and Mr Peter Sim. Mr Peter Sim, an experienced independent director and a trained lawyer, joined the NC during the year as part of refreshment of the NC. The majority of the NC, including the chairman of the NC, Mr Sat Pal Khattar, are Independent Directors.

The principal responsibilities of the NC are to:

- recommend appointments / reappointments of Directors and key executives, including the CEO;
- review the composition of the Board and Board Committees;
- perform succession planning;
- assess the independence of Directors;
- evaluate the performance of the Board and Board Committees; and
- review training and professional development programmes for Directors.

The NC adopts key principles from the Nominating Committee Guide, issued by the Singapore Institute of Directors in 2015.

Each year, the NC reviews the composition of the Board as part of its succession planning. Suitable candidates are identified through personal and professional networks and the NC reviews each candidate through an objective and comprehensive process. When assessing potential candidates, the NC takes into account the existing Board composition, the candidate's background, qualification, experience, time commitment and his/her ability to contribute to the Board's collective skills, knowledge and experience. In February 2016, the NC recommended and the Board approved the appointment of Mr Wee Ee-chao as Deputy Chairman, as part of the succession planning for the Chairman.

The NC makes annual recommendations to the Board on the re-appointment of Directors having regard to their competencies, commitment, contributions and performance on a qualitative basis. Each year, one-third of the Board retires from office by rotation and may submit themselves for re-election. New Directors submit themselves for re-election at the AGM immediately following their appointment by the Board.

In its review of the Directors' ability to commit time to the Company's affairs, the NC has taken into account whether a limit on the number of other listed boards Directors could sit on was necessary. The NC decided that it was not necessary to prescribe a limit on the number of other boards that Directors of the Company sit on. Although some Directors have multiple board representations and principal commitments, none of them had more than six listed companies' directorships and the NC is satisfied that each Director has devoted sufficient time and attention to the Company's affairs to adequately and competently carry out his duties as a Director of the Company. For a full list of each Director's directorships and principal commitments, please refer to the "Board of Directors" section of this Annual Report.

Board Performance

The NC evaluated and assessed the effectiveness of the Board's performance as a whole, taking into consideration, amongst other matters, the Board's discharge of its principal responsibilities, earnings of the Group, return on equity and the share price performance of the Company over a five year period. These performance criteria also include performance of the Company as compared to industry peers and are linked to long term shareholder value. The NC is of the opinion that the Board as a whole has performed well during the year and that the Chairman and each Director have contributed to the overall effectiveness of the Board.

The NC evaluated and reviewed the performance of the Board Committees (except the NC itself). It is satisfied with the matters dealt with by the Board and Board Committees and the frequency of such deliberations.

The Chairman of the Board and the Chairman of the NC evaluated the collective performance, commitment and contribution of all Directors based on each Director's attendance and contribution at Board meetings. They also reviewed the contribution of the Executive Directors and are of the view that the performance of each of them has been satisfactory.

Access to Information

Directors have unfettered access to complete and adequate information on the Group's financials and operations in a timely manner. Comprehensive information including strategic, financials, key operational and compliance matters is provided to Directors on a monthly and quarterly basis to enable them to make informed decisions. Matters requiring the Board's decision are generally sent to Directors at least five working days prior to Board meetings. Board meetings for each year are scheduled at least three months in advance while urgent Board meetings, if needed, are scheduled at least five days in advance save in exceptional circumstances. The Board is also provided with opportunities to meet with managers and heads of divisions, as needed to understand the businesses of the Group.

Directors have separate, independent and unrestricted access to the Company Secretary for assistance. The Company Secretary attends all Board and Board Committee meetings and ensures that board procedures are followed and the rules and regulations applicable to the Board are complied with. The Company Secretary is responsible for ensuring information flows within the Board and Board Committees and between senior management and Non-Executive Directors, advising the Board on all governance matters, as well as facilitating orientation and professional development as required. Directors may take independent professional advice, if necessary and with the approval of the Chairman, at the Company's expense, to carry out their duties. Under the Constitution of the Company, the decision to appoint or remove the Company Secretary rests with the Board as a whole.

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

The Remuneration Committee ("RC") comprises three members, namely Mr Sat Pal Khattar, Dr Wee Cho Yaw and Mr Hwang Soo Jin. The majority of the RC, including the chairman of the RC, Mr Sat Pal Khattar, are Independent Directors. All the members of the RC are Non-Executive Directors. The RC is supported by the Group Human Resource and/or external consultants if needed.

The principal responsibilities of the RC include:

(a) in consultation with the Chairman of the Board, reviewing and recommending to the Board for its endorsement, a framework of remuneration for the Board and the key executives of the Company;

(b) determining the specific remuneration packages of each Executive Director;

(c) reviewing and approving the remuneration packages for key executives; and

(d) administering the Company's share option scheme.

During the year, the RC reviewed the amount of Directors' fees payable to the Non-Executive Directors to be recommended for shareholders' approval. It also assessed the performance of and determined all aspects of remuneration for the Executive Directors, and reviewed the remuneration packages for key executives and share options to eligible staff and the terms thereof. During the year, the RC, through management, appointed Mercer, an independent consultant to review the remuneration structure of senior executives, which includes the short and long term incentive schemes.

The RC has reviewed the Group's obligations arising in the event of termination of the Executive Directors' and key executives' service contracts, to ensure that such service contracts contain fair and reasonable termination clauses.

Level and Mix of Remuneration and Disclosure on Remuneration

The RC takes into consideration current industry norms on compensation and adopts a remuneration policy in line with industry practices. None of the Non-Executive Directors have any service contract or consultancy agreement with the Company. Non-Executive Directors, including the Chairman of the Board, are paid directors' fees which comprise a basic fee and additional fees for serving on Board Committees. The RC recommends Directors' fees to the Board for endorsement prior to submission to shareholders for approval at each annual general meeting. The Company's share option scheme allows for grants of share options to Non-Executive Directors. To date, the Non-Executive Directors have not been granted any share option.

The Directors' fee[1] structure for services on the Board and Board Committees is as follows :

	$
Board	
- Chairman	80,000
- Member	40,000
Audit Committee	
- Chairman	20,000
- Member	10,000
Nominating and Remuneration Committee	
- Chairman	10,000
- Member	5,000

The Group remunerates its employees at market competitive levels, commensurate with their performance and contribution to the long-term interests and success of the Group. The remuneration package comprises fixed and variable compensation, provident fund and share options (for eligible employees). A variable bonus scheme is in place for each business unit. The bonus scheme takes into consideration working capital efficiency, productivity, current year earnings and long-term sustainability.

In the annual review of the remuneration of the Executive Directors, the RC takes into consideration performance of the individuals and comparative remuneration of similarly placed persons in the market as well as the findings of Mercer. The performance criteria include achievement of financial objectives using financial indicators such as overall profitability and return of assets over a period of time. Their remuneration is reviewed annually by the RC and includes a variable bonus component which is performance based. The level and structure of remuneration for executive directors are aligned with the long term interest of the Group.

Share options are granted to the Executive Directors and eligible key executives, based on their performance during the year. These share options are granted at market price around the date of grant and can only be exercised after a vesting period of usually one year to ensure that employees' interest gel with the longer term performance of the Group. In the event of misconduct on the part of a participant in the share option scheme, the RC may in its absolute discretion treat any outstanding option as lapsed and null and void. More information on the Haw Par Corporation Group 2002 Share Option Scheme can be found in the Directors' Statement and notes to the financial statements.

Disclosure of Remuneration

The details of the remuneration of each Director for FY 2015 are as follows:

Table 2:

Name	Directors' Fees[1] $'000	Base or fixed salary $'000	Variable bonus $'000	Benefit-in kind and others $'000	Total $'000	Total Share options granted No. of shares
Wee Ee Lim	-	669	600	85	1,354	-
Han Ah Kuan	-	291	238	108	637	66,000
Wee Cho Yaw	90	-	-	-	90	-
Sat Pal Khattar	60	-	-	-	60	-
Hwang Soo Jin	55	-	-	-	55	-
Lee Suan Yew	48	-	-	-	48	-
Chew Kia Ngee	60	-	-	-	60	-
Peter Sim Swee Yam	43	-	-	-	43	-
Gn Hiang Meng	47	-	-	-	47	-
Wee Ee-chao	40	-	-	-	40	-

(1) Directors' fees are subject to shareholders' approval at the forthcoming annual general meeting on 29 April 2016.

Remuneration of Key Executives

The remuneration of each of the top six senior executives of the Group (who are not Directors), in no order of quantum sum, is as follows:

Table 3:

Name / Position	Base or fixed salary	Variable bonus	Benefit-in kind and others	Total	Share options granted
$250,000 - $500,000	**%**	**%**	**%**	**%**	**No. of shares**
Goh Bee Leong, *GM – Manufacturing*	55	33	12	100	35,000
Jasmin Hong, *GM – Marketing*	56	33	11	100	39,000
Keeth Chua, *DGM – Marketing*	57	33	10	100	20,000
Kwek Meng Tiam, *Regional GM*	78	6	16	100	26,000
Tarn Sien Hao, *Group GM*	55	30	15	100	44,000
Zann Lim, *CFO*	57	30	13	100	33,000

The total remuneration paid/accrued to the top six senior executives is about $2,103,000.

The aggregate amount of termination, retirement and post employment benefits that may be granted to Directors, the CEO and the top six key management personnel is around $524,000.

There is no employee (other than the CEO) who is an immediate family member of a Director or the CEO. A relative of the CEO, Mr Kelvin Whang, who is the General Manager of Underwater World Pattaya, received annual remuneration of between $150,000 to $200,000.

ACCOUNTABILITY AND AUDIT

Accountability

The Board provides shareholders with a balanced and clear assessment of the Group's performance through announcements of its quarterly and full-year results as well as timely announcement of any price-sensitive information. Internal guidelines are in place to comply with legislative and requlatory requirements and Management provides the Board with monthly management accounts of the Group. The management reports containing sufficient details and comparisons to planned budgets, provide the Directors with a means to monitor the Group's performance.

Risk Management and Internal Controls

The Group has established a formal risk management framework across the entire organisation to provide a structured approach for managing risks. The framework enables management to have a formal structure in risk management assessment. The framework is designed to ensure that risks are identified, assessed, monitored and effectively managed. It is in line with the best practices as contained in the Risk Governance Guidance for Listed Boards, issued by the Corporate Governance Council in May 2012.

The Risk Management Committee is chaired by the CEO and comprises an Executive Director, the Chief Financial Officer ("CFO"), the Internal Audit Manager and Group General Manager. It performs the following roles:

- oversees the development of risk management policies;
- provides overall leadership, vision, framework and direction for risk management;
- promotes a risk management culture through human resources, use of technology and organisation structure;
- monitors the effectiveness of risk management and makes refinements as and when necessary;
- ensures that any risks are properly addressed; and
- reports to the AC and the Board twice a year on risk management activities and attestation undertaken (if any).

Risks are analysed and assessed in terms of risk impact and risk likelihood. Risk impact includes financial, operational (business interruption), regulatory/legal and reputational impact. Risk likelihood includes both quantitative and qualitative appraisals and classified as 'Low', 'Moderate', 'High' and 'Critical'. Management evaluates the options and controls needed to deal with identified risks, depending on the risk impact, likelihood and related costs and benefits. These risks are reviewed both against the entity level parameters and from the Group's perspective. The AC monitors the Risk Management Committee's activities on behalf of the Board.

Risks are broadly categorised as follows:

Strategic risks
These include most of the inherent risks of each operating unit and the relevant macro-environment such as competition and epidemic outbreak risks. All such risks are reported to the AC and the Board. Measures taken to manage risks include diversifying either geographically or in product offerings, putting in place business continuity plans and ensuring sufficient insurance coverage for various types of risks.

Operational risks
These relate to day-to-day operations and include effective and efficient use of the Group's resources. Operational risks include security threats, employee attrition and brand protection. The general manager of each operating unit implements policies and procedures to monitor such risks.

Compliance risks
Each operating unit is subject to various degrees of regulatory controls, particularly the Healthcare division. Compliance with local laws and regulations in various geographical locations is monitored by the operating unit and the functional departments in Singapore.

Financial risks
Financial risks are mitigated by using appropriate hedging instruments when necessary and actively managing foreign exchange and credit exposures. Financial risks are monitored by the Investment Committee. Generally, the Group is conservative in its financial dealings and do not engage in speculative instruments that would expose the Group to unnecessary financial risks. The operations of the Group do not require complex use of information technology or data. Thus the risks in this area are not material.

The Board reviews the adequacy and effectiveness of the Company's risk management and internal control systems, including financial, operational, compliance and information technology controls.

For the year under review, the Board has received assurances from the CEO and the CFO:

(a) that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and

(b) that the Company's risk management and internal control systems are adequate and effective in all material respects as at 31 December 2015.

Based on work performed by the internal and external auditors and reviews undertaken by the Risk Management Committee and the AC, the Board, with the concurrence of the AC, is of the opinion that the internal controls addressing financial, operational, compliance and information technology risks, and risk management systems and processes were adequate and effective for the Group as at 31 December 2015.

The Group's internal controls and risk management systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable, but not absolute, assurance that the Group will not be adversely affected by any reasonably foreseeable event. The Board recognises that no system of internal controls and risk management can provide absolute assurance.

Audit Committee ("AC")

The AC comprises three members, namely, Dr Chew Kia Ngee, Mr Hwang Soo Jin and Mr Gn Hiang Meng, all of whom are Non-Executive Independent Directors. The chairman of the AC, Dr Chew Kia Ngee, is a senior accountant with over 40 years' experience in the profession. Mr Hwang Soo Jin is a seasoned financial professional and has over 40 years of financial management expertise. Mr Gn Hiang Meng is a former senior banker with more than 30 years' experience in investment banking and hospitality industry.

The principal responsibilities of the AC include:

- reviewing the audit plans with the internal and external auditors;
- reviewing the audit report of the external auditors and the results of the internal audit procedures;
- recommending the appointment, re-appointment and removal of external auditors and approving the compensation and terms of engagement of the external auditors;
- reviewing annually the independence and objectivity of the external auditors, the cost effectiveness of the audit, and the nature and extent of non-audit services;
- approving the hiring, removal, evaluation of the performance and compensation of Group Internal Audit Manager;
- ensuring that the internal audit function is adequately resourced and has appropriate standing within the Group;
- reviewing the adequacy of the internal audit function annually;
- reviewing the Group's quarterly and full year results and annual financial statements prior to approval by the Board, and the appropriateness and consistency of accounting principles and policies adopted across the Group, including significant financial reporting issues and judgements;
- reviewing the adequacy and effectiveness of the Company's system of internal controls, including accounting controls, and addressing financial, operational, compliance and information technology risks and risk management processes;
- reviewing interested person transactions; and
- reviewing whistle-blowing reports.

The AC has full authority to investigate any matter including but not restricted to issues of internal controls, suspected fraud or irregularity. It has access to and full co-operation by the management and may invite any director or executive officer to attend its meetings. The AC adopts key principles from the "Guidebook for Audit Committee in Singapore", issued by the Audit Committee Guidance Committee in Singapore in 2008 and updated in 2014.

During the year, the AC held four meetings during which it performed its responsibilities as set out above. It met the external and internal auditors separately in the absence of management and noted that there was no adverse feedback.

In reviewing non-audit services, the AC was satisfied that amount of non-audit services provided by the external auditors was not material and would not impair the independence of the external auditors. The AC has confirmed that the Company has complied with Rule 712 and Rule 715/716 of the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual which set out the requirements on the appointment of the auditor. The AC has recommended to the Board the re-appointment of PricewaterhouseCoopers LLP as the Group's auditor for the ensuing year. The aggregate amount of fees paid/payable to PricewaterhouseCoopers LLP for FY 2015 was $343,000. The breakdown of fees paid/payable for audit and non-audit services were $316,000 and $27,000 respectively. The AC has reviewed and is satisfied with the independence and objectivity of the external auditors. It conducted a formal tender exercise during the year and after reviewing comparable proposals, agreed to retain PricewaterhouseCoopers LLP as the Company's auditors.

The AC members are continuously updated by management and auditors (both internal and external) on changes to accounting standards and issues which have a direct impact on financial statements, compliance with legislation and accounting-related matters.

Code of Conduct and Whistle Blowing Policy

The Group has in place a Code of Conduct that sets out the business practices, procedures and ethical conduct expected of all employees in their course of employment and dealings with customers, suppliers and consultants.

In line with the Code of Conduct, the Group has in place a whistle-blowing policy and process under which employees and external parties may report to the AC any improprieties or suspected wrong-doing by management or other staff without fear of reprisal. All reports received are accorded confidentiality and independently investigated by the whistle blowing unit, comprising the Group Human Resource Manager and Group Internal Audit Manager. Details of the whistle blowing policy are posted on the Company's intranet. New employees are briefed on the policy during their orientation. Existing employees are reminded of the policy from time-to-time in order to raise awareness of the availability of the channel for such reporting.

Internal Audit

The Company has an internal audit ("IA") department which is staffed with professionally qualified personnel. The Group Internal Audit Manager reports directly to the Chairman of the AC on audit matters and to the CEO on administrative matters. The appointment and removal of the Group Internal Audit Manager rests with the AC.

The IA function follows the Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors. The IA adopts strict procedures in reporting its audit findings to the management and the AC.

The role of the IA function is to render support to the AC in ensuring that the Group maintains a sound system of internal controls by performing regular monitoring and testing of key controls and procedures, reviewing operational and financial activities and undertaking investigations as requested by the AC.

The IA department submits its internal audit plan to the AC for approval at the beginning of each year. IA reviews are carried out on all significant business units in the Group and a summary of findings and recommendations is discussed during each AC meeting. The IA has unfettered access to the AC and to all documents, reports, properties and personnel for the purposes of its audit. The AC is of the view that the IA function is adequately resourced and staffed with persons with the relevant qualifications and experience and has appropriate standing within the Company.

Shareholders Rights and Communication with Shareholders

The Group is guided by an investor relations policy that aims to promote regular, effective and fair communication with shareholders. Communication of relevant announcements of the Group is generally made through annual reports, press releases, SGXNET announcements and its corporate website at www.hawpar.com. The Company's Annual Report is sent in a CD-ROM to all shareholders and posted on the Group's website. Hard copies of the Annual Report are available on request.

A dedicated communications channel with the Investor Relations Department is available to shareholders and can be reached via email at investorrelations@hawpar.com. The Investor Relations Department is required to respond to shareholders' queries in a timely and effective manner. When matters requiring shareholders' meetings are to be held, notices are published in newspapers and reports or circulars are sent in a timely manner to all shareholders. Shareholders will be informed of the rules, including voting procedures, which govern the shareholders' meetings. Resolutions of all general meetings of shareholders are conducted by electronic poll. The results of the votes for all resolutions taken during AGM and general meetings of shareholders are validated by independent scrutineers and are broadcast at the AGM. The results are also announced on the SGXNET after the meeting. The meetings' minutes with substantial and relevant comments are available to shareholders at the registered office upon request within reasonable time after each general meeting.

The Company holds regular meetings with research analysts, fund managers and institutional investors to review the Company's performance and provide investors with a better understanding of the Group's businesses.

Conduct of Shareholder Meetings

The Group encourages the attendance of shareholders at general meetings, which are always held at a central location in Singapore. At such general meetings, shareholders are invited to raise questions on any matter that needs clarification. The notices of general meetings setting out the agenda are despatched to shareholders with the annual reports, and if necessary, letters to shareholders on the item of special business, at least 14 days before the general meetings are called to pass ordinary resolutions or 21 days before the general meetings are called to pass special resolutions. The Chairman and the other Directors (in particular, the chairpersons of the AC, NC and RC) as well as the external auditor are present at general meetings to address queries from shareholders on matters affecting the Group and the conduct of external audit. The Company Secretary is present to ensure that procedures under the Constitution and SGX Listing Manual are followed. Key management personnel are also present at such general meetings to respond to queries from shareholders.

The reception after each general meeting of shareholders provides an opportunity for shareholders to informally communicate their views and expectations to the Company's representatives.

Separate resolutions on each issue are tabled at such general meetings. The Company allows shareholders who hold shares through nominees to attend general meetings as observers. Following the implementation of the multiple proxies regime on 3 January 2016, the Company will allow nominee companies, custodian and the Central Provident Fund Board to appoint more than 2 proxies to attend and to vote at general meetings.

The Company does not have a formal dividend policy. For more than the past 30 years the Company has endeavoured to maintain a sustainable dividend payment with an upward trend. In certain years, the Company also paid special dividends.

OTHER GOVERNANCE PRACTICES

Investment Committee

The Investment Committee ("IC") is headed by the Chairman of the Board and comprises two Executive Directors and the CFO. The IC meets bi-monthly to review the performance of the Group's investments, funding requirements, key financial risks and strategic issues of each operating unit.

Interested Person Transactions

Management reports all interested person transactions to the AC. The Group does not have any general mandate from shareholders pursuant to Rule 920 with regard to interested person transactions. During the year, there were no interested person transactions entered into by the Company and any Director that require disclosure under the SGX-ST listing rules.

Material Contracts

Except as disclosed on page 93 (Note 23 *Related Party Transactions*) of the financial statements, there were no other material contracts entered into by the Company or its subsidiaries involving the interests of the CEO, any Director or controlling shareholder of the Company.

Dealings in Securities

The Group adopts best practices with respect to dealings in securities set out in Rule 1207(19) of the Listing Manual of the SGX-ST. It has a policy which prohibits its officers from dealing in the securities of the Company during the period commencing two weeks before the announcement of the financial results for each of the first three quarters and one month before the announcement of the full year results. The Company Secretary issues guidelines periodically to Directors and employees to remind them of the prohibitions in dealing with the Company's securities on short-term considerations or while in possession of material unpublished price-sensitive information, and to comply with the insider trading laws at all times.

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The Directors present their statement to the members together with the audited financial statements of the Group for the financial year ended 31 December 2015 and the statement of financial position of the Company as at 31 December 2015.

In the opinion of the Directors,

(a) the statement of financial position of the Company and the consolidated financial statements of the Group as set out on pages 51 to 109 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 December 2015 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

DIRECTORS

The Directors of the Company in office at the date of this statement are as follows:

Wee Cho Yaw	*(Chairman)*
Wee Ee Lim	*(President & Chief Executive Officer)*
Sat Pal Khattar	
Hwang Soo Jin	
Lee Suan Yew	
Wee Ee-chao	
Chew Kia Ngee	
Peter Sim	
Gn Hiang Meng	
Han Ah Kuan	*(Executive Director)*

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of, nor at any time during the financial year was the Company a party to any arrangement whose object was, or one of whose objects was, to enable the Directors of the Company to acquire benefits by means of the acquisition of shares, warrants, share options in, or debentures of, the Company or any other body corporate, other than pursuant to the Haw Par Corporation Group 2002 Share Option Scheme (“2002 Scheme”) as disclosed under “Share options” in this statement.

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

(a) According to the register of Directors' shareholdings, none of the Directors holding office at the end of the financial year had any interest in the shares, warrants, share options in, or debentures of the Company or its related corporations except as follows:

	Holdings registered in name of Director or nominee		**Holdings in which Director is deemed to have an interest**	
	31.12.2015	**1.1.2015**	**31.12.2015**	**1.1.2015**
Interest in the Company's ordinary shares				
Wee Cho Yaw	1,092,373	1,092,373	77,728,935	75,812,505
Wee Ee Lim	437,192	437,192	73,001,783	71,085,353
Wee Ee-chao	13,826	13,826	73,135,381	71,218,951
Sat Pal Khattar	–	–	96,219	96,219
Hwang Soo Jin	75,000	75,000	–	–
Han Ah Kuan	127,000	92,000	–	–

(b) According to the register of Directors' shareholdings, an executive director holding office at the end of the financial year had interests in options to subscribe for ordinary shares of the Company granted pursuant to the Haw Par Corporation Group 2002 Share Option Scheme as set out below:

	No. of unissued ordinary shares under option	
	31.12.2015	**1.1.2015**
Han Ah Kuan	132,000	114,000

(c) By virtue of Section 7 of the Companies Act (Cap. 50), Wee Cho Yaw, Wee Ee Lim and Wee Ee-chao, who by virtue of their interest of not less than 20% in the issued capital of the Company, are also deemed to have an interest in the shares of the various subsidiary companies held by the Company.

(d) The Directors' interests in the ordinary shares and share options of the Company as at 21 January 2016 were the same as those as at 31 December 2015.

SHARE OPTIONS

Haw Par Corporation Group 2002 Share Option Scheme

The 2002 Scheme was approved by members of the Company at an Extraordinary General Meeting held on 22 May 2002. The extension of the duration of the 2002 Scheme for a further period of 5 years to 2017 was approved by members of the Company at the Annual General Meeting held on 20 April 2011. The 2002 Scheme is granted to key executives personnel and directors (including non-executive directors) of the Company and the maximum life-span of exercising the options is 10 years. The exercise price of the options is determined at the average of the last dealt price of the Company's ordinary shares as quoted on the Singapore Exchange Securities Trading Limited for five market days immediately preceding the date of the grant. The options are exercisable beginning on the first anniversary from the date when the options are granted or the second anniversary if the options are granted at a discount to the market price. Once the options are vested, they are exercisable for a period of four years. The options may be exercised in full or in part in respect of 1,000 shares or any multiple thereof, on the payment of the exercise price. The Group has no legal or constructive obligation to repurchase or settle the options in cash. The share option scheme size shall not exceed 15% of the total number of issued shares of the Company on the day preceding grant date and exercise prices are allowed to be set at discounts of up to 20% to their market price.

The number of unissued ordinary shares of the Company covered by the options in relation to the 2002 Scheme outstanding at the end of the financial year was as follows:

	Number of unissued shares covered by the options		
Date of grant	**Balance at 31.12.2015**	**Exercise price**	**Exercise period**
1.3.2011	63,000	$6.09	1.3.2012 - 29.2.2016
1.3.2012	56,000	$5.95	1.3.2013 - 28.2.2017
4.3.2013	229,000	$7.27	4.3.2014 - 3.3.2018
3.3.2014	472,000	$8.55	3.3.2015 - 1.3.2019
3.3.2015	529,000	$8.58	3.3.2016 - 2.3.2020
	1,349,000		

In 2015, options to subscribe for 544,000 unissued shares in the Company at the exercise price of $8.58 per share were granted and 536,000 accepted under the 2002 Scheme. Options in respect of 5,516,000 unissued shares have been granted and accepted since the adoption of the scheme on 22 May 2002. No options have been granted at a discount to the market price of shares of the Company. Further information can be found in Note 26 to the financial statements.

During the financial year, options to subscribe for 21,000 unissued shares were cancelled and 169,000 shares were issued by virtue of the exercise of options. The market price on the dates of exercise ranged from $8.11 to $9.25.

SHARE OPTIONS (CONTINUED)

Other information required by the Singapore Exchange Securities Trading Limited *(Pursuant to Listing Rule 852 of the Listing Manual)*

(1) The Share Option Scheme of the Company is administered by the Remuneration Committee, comprising the following Directors:

Sat Pal Khattar	(Chairman)
Wee Cho Yaw	
Hwang Soo Jin	

(2) The details of options granted to the Directors of the Company under the 2002 Scheme are as follows:

Name of Director	Number of shares comprised in options granted during the financial year	Aggregate number of shares comprised in options granted since commencement of scheme to 31.12.2015	Aggregate number of shares comprised in options exercised since commencement of scheme to 31.12.2015	Aggregate number of shares comprised in options that have expired since commencement of scheme to 31.12.2015	Aggregate number of shares comprised in options outstanding as at 31.12.2015
Wee Ee Lim	–	48,000	48,000	–	–
Han Ah Kuan	66,000	635,000	455,000	48,000	132,000

(3) No options are granted to controlling members of the Company and/or their associates (as defined in the Listing Manual of Singapore Exchange Securities Trading Limited).

(4) No participant has received 5% or more of the total number of options available under the share option scheme.

(5) No options have been granted at a discount to the market price of shares of the Company for the financial year ended 31 December 2015.

(6) Options granted by the Company do not entitle the holders of the options, by virtue of such options, any right to participate in any share issue of any other company in the Group.

AUDIT COMMITTEE

The Audit Committee comprises three members, all of whom are independent non-executive Directors. The members of the Audit Committee are as follows:

Chew Kia Ngee (Chairman)
Hwang Soo Jin
Gn Hiang Meng

In accordance with Section 201B(5) of the Companies Act, the Audit Committee has reviewed with the Company's internal auditors their audit plan and the scope and results of their internal audit procedures. The Committee has also reviewed with the Company's independent auditor, PricewaterhouseCoopers LLP, their audit plan, their evaluation of the system of internal accounting controls, their audit report on the statement of financial position of the Company and the consolidated financial statements of the Group for the financial year ended 31 December 2015 and the assistance given by the management of the Group to them. The statement of financial position of the Company and the consolidated financial statements of the Group, as well as the independent auditor's report on the same, have been reviewed by the Committee prior to their submission to the Board of Directors.

The Committee has recommended to the Board of Directors the re-appointment of PricewaterhouseCoopers LLP as independent auditor of the Company, at the forthcoming Annual General Meeting of the Company.

INDEPENDENT AUDITOR

PricewaterhouseCoopers LLP has expressed its willingness to accept re-appointment as independent auditor of the Company and a resolution proposing its re-appointment will be submitted at the forthcoming Annual General Meeting.

On behalf of the Directors

Wee Cho Yaw
Chairman

Wee Ee Lim
President & Chief Executive Officer

Singapore, 25 February 2016

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HAW PAR CORPORATION LIMITED

For the financial year ended 31 December 2015

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Haw Par Corporation Limited (the "Company") and its subsidiaries (the "Group") set out on pages 51 to 109, which comprise the consolidated statement of financial position of the Group and statement of financial position of the Company as at 31 December 2015, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015, and of the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore, of which we are the auditors, have been properly kept in accordance with the provisions of the Act.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants

Singapore, 25 February 2016

CONSOLIDATED INCOME STATEMENT

For the financial year ended 31 December 2015

	Note	The Group 2015 $'000	2014 $'000
Revenue	4	**178,834**	154,222
Cost of sales		**(72,587)**	(63,983)
Gross profit		**106,247**	90,239
Other income (net)	5	**86,440**	69,420
Distribution and marketing expenses		**(42,867)**	(37,079)
General and administrative expenses		**(10,104)**	(10,181)
Finance expenses		**(460)**	(423)
Profit from operations		**139,256**	111,976
Equity accounting/gains on associated companies	13	**56,376**	11,917
Fair value changes on investment properties (net)	11	**(1,967)**	3,075
Profit before taxation		**193,665**	126,968
Taxation	7	**(10,389)**	(8,143)
Profit for the financial year, net of tax		**183,276**	118,825
Earnings per share attributable to equity holders of the Company	9		
- Basic		**83.7 cents**	54.3 cents
- Diluted		**83.6 cents**	54.3 cents

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2015

	Note	The Group 2015 $'000	2014 $'000
Profit for the financial year, net of tax		**183,276**	118,825
Other comprehensive income, after tax, that may be reclassified subsequently to profit or loss:			
Fair value changes on available-for-sale financial assets (net)		**(406,144)**	283,208
Reclassification of fair value changes to profit or loss on disposal of available-for-sale financial assets		**3,286**	(3,400)
Currency translation differences on consolidation of foreign entities (net)		**(2,892)**	5,664
Share of associated company's other comprehensive income through equity accounting		**(2,927)**	57
Reclassification of currency translation reserve to profit or loss on reclassification of associated company to available-for-sale financial assets	13	**(4,543)**	–
Other comprehensive (expense)/income for the financial year, net of tax		**(413,220)**	285,529
Total comprehensive (expense)/income for the financial year		**(229,944)**	404,354

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2015

	Note	The Group		The Company	
		2015	2014	**2015**	2014
		$'000	$'000	**$'000**	$'000
ASSETS					
Non-current assets					
Property, plant and equipment	10	**24,406**	33,187	**–**	–
Investment properties	11	**210,823**	225,249	**–**	–
Investment in subsidiaries	12	**–**	–	**375,857**	381,957
Investment in associated companies	13	**3,859**	137,690	**2,895**	2,895
Available-for-sale financial assets	14	**1,701,036**	1,842,662	**281**	330
Deferred income tax assets	21	**1,169**	263	**–**	–
Intangible assets	15	**11,116**	11,116	**–**	–
		1,952,409	2,250,167	**379,033**	385,182
Current assets					
Available-for-sale financial assets	14	**379,519**	468,830	**–**	–
Inventories	16	**12,375**	10,720	**–**	–
Trade and other receivables	17	**32,387**	19,911	**138,385**	121,464
Cash and bank balances	18	**315,731**	224,666	**287,257**	194,270
		740,012	724,127	**425,642**	315,734
Total assets		**2,692,421**	2,974,294	**804,675**	700,916
LIABILITIES					
Current liabilities					
Trade and other payables	19	**55,156**	39,066	**80,704**	72,286
Current income tax liabilities		**10,508**	7,587	**490**	283
Borrowings	20	**43,547**	56,332	**43,547**	56,332
		109,211	102,985	**124,741**	128,901
Non-current liabilities					
Deferred income tax liabilities	21	**48,087**	63,844	**–**	–
		48,087	63,844	**–**	–
Total liabilities		**157,298**	166,829	**124,741**	128,901
NET ASSETS		**2,535,123**	2,807,465	**679,934**	572,015
EQUITY					
Equity attributable to equity holders of the Company					
Share capital	22	**249,895**	248,722	**249,895**	248,722
Retained profits		**1,030,257**	887,171	**426,306**	319,762
Other reserves		**1,254,971**	1,671,572	**3,733**	3,531
Total equity		**2,535,123**	2,807,465	**679,934**	572,015

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2015

	Attributable to equity holders of the Company							
	Share capital $'000	Statutory reserve[1] $'000	Capital reserve[2] $'000	Share option reserve[3] $'000	Fair value reserve $'000	Foreign currency translation reserve $'000	Retained profits $'000	Total equity $'000
2015								
Balance at 1 January 2015	248,722	2,156	16,815	7,075	1,648,605	(3,079)	887,171	2,807,465
Issue of share capital	1,173	–	–	–	–	–	–	1,173
Expensing of share options (Note 26)	–	–	–	251	–	–	–	251
Transfer from retained profits to statutory reserve	–	26	–	–	–	–	(26)	–
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 (Note 8)	–	–	–	–	–	–	(43,822)	(43,822)
Total comprehensive (expense)/income for the financial year	–	–	–	–	(402,858)	(10,362)	183,276	(229,944)
Balance at 31 December 2015	**249,895**	**2,182**	**16,815**	**3,668**	**1,245,747**	**(13,441)**	**1,030,257**	**2,535,123**

The accompanying notes form an integral part of these financial statements.

	Attributable to equity holders of the Company							
	Share capital $'000	Statutory reserve[1] $'000	Capital reserve[2] $'000	Share option reserve[3] $'000	Fair value reserve $'000	Foreign currency translation reserve $'000	Retained profits $'000	Total equity $'000
2014								
Balance at 1 January 2014	246,848	2,109	16,815	4,828	1,368,797	(6,858)	812,182	2,444,721
Issue of share capital	1,874	–	–	–	–	–	–	1,874
Expensing of share options (Note 26)	–	–	–	305	–	–	–	305
Transfer from retained profits to statutory reserve	–	47	–	–	–	–	(47)	–
Dividends paid (Note 8)	–	–	–	–	–	–	(43,789)	(43,789)
Total comprehensive income for the financial year	–	–	–	1,942	279,808	3,779	118,825	404,354
Balance at 31 December 2014	**248,722**	**2,156**	**16,815**	**7,075**	**1,648,605**	**(3,079)**	**887,171**	**2,807,465**

1 The statutory reserve is legally required to be set aside in the countries of incorporation of certain subsidiaries. Those laws restrict the distribution and use of the reserve.

2 The capital reserve relates to non-distributable profits arising from sale of long term investments according to certain subsidiaries' Constitution and share premium arising from issue of shares by certain subsidiaries.

3 The share option reserve relates to share option scheme of the Company and its associated company.

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2015

	Note	The Group 2015 $'000	2014 $'000
Cash flows from operating activities:			
Profit before tax		**193,665**	126,968
Adjustments for:			
Gross dividend income from quoted equity investments	5	**(89,476)**	(62,566)
Equity accounting/gains on associated companies	13	**(56,376)**	(11,917)
Depreciation of property, plant and equipment	10	**5,338**	5,415
Impairment of property, plant and equipment	10	**4,601**	–
Loss/(gain) on disposal of available-for-sale financial assets	5	**3,286**	(3,400)
Interest income	5	**(2,764)**	(1,434)
Fair value changes on investment properties (net)	11	**1,967**	(3,075)
Finance expenses		**460**	423
Expensing of share options	26	**251**	305
Gain on sale of investment property	5	**(250)**	–
Write-back of unclaimed dividends		**(216)**	(278)
Inventories written down	16	**216**	98
Loss on disposal and write-off of property, plant and equipment	6	**86**	108
Allowance for impairment of receivables	6	**8**	1
Currency translation losses/(gains)		**70**	(512)
Operating profit before working capital changes		**60,866**	50,136
Increase in inventories		**(1,871)**	(1,107)
Increase in trade and other receivables		**(5,085)**	(2,292)
Increase in trade and other payables		**13,079**	2,380
Cash generated from operations		**66,989**	49,117
Dividend income received		**63,534**	14,880
Interest income received		**2,773**	1,176
Net taxation paid		**(9,233)**	(7,059)
Net cash provided by operating activities		**124,063**	58,114
Cash flows from investing activities			
Proceeds from partial disposal of interest in associated company		**99,322**	–
Proceeds from sale of investment property		**10,045**	–
Dividends from associated companies		**4,068**	5,452
Purchase of additional interest in associated company		**(72,755)**	(1,574)
Purchase of available-for-sale financial assets		**(20,256)**	(47,742)
Purchase of property, plant and equipment	10	**(993)**	(2,530)
Improvements to investment properties	11	**(2,282)**	(339)
Proceeds from sale of property, plant and equipment		**–**	7
Proceeds from disposal of available-for-sale financial assets		**9,082**	9,494
Net cash provided by/(used in) investing activities		**26,231**	(37,232)
Cash flows from financing activities			
Proceeds from issue of share capital	22	**1,173**	1,874
Bank deposits pledged		**82**	56
Payment of dividends to members of the Company	8	**(43,822)**	(43,789)
Interest expense paid		**(469)**	(427)
Proceeds from borrowings		**–**	47,746
Repayment of borrowings		**(15,450)**	(12,413)
Net cash used in financing activities		**(58,486)**	(6,953)
Net increase in cash and cash equivalents		**91,808**	13,929
Cash and cash equivalents at beginning of the financial year	18	**223,061**	208,606
Effects of currency translation on cash and cash equivalents		**(661)**	526
Cash and cash equivalents at end of the financial year	18	**314,208**	223,061

The accompanying notes form an integral part of these financial statements.

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL

Haw Par Corporation Limited (the "Company") is incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited. The address of its registered office is as follows:

401 Commonwealth Drive
#03-03 Haw Par Technocentre
Singapore 149598

The Company is the owner of the "Tiger" trademarks and is the holding company of the Group.

The principal activities of the Company are licensing of the "Tiger" trademarks and owning investments for long term holding purposes.

The principal activities of the Group are as follows:

(a) manufacturing, marketing and trading healthcare products;
(b) providing leisure-related goods and services; and
(c) investing in properties and securities.

Principal activities of significant subsidiaries are listed in Note 29.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Interpretations and amendments to published standards effective in 2015

On 1 January 2015, the Group adopted the new or amended FRS and Interpretations to FRS ("INT FRS") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS including the following:

- FRS 102 *Share-based Payment*
- FRS 103 *Business Combinations*
- FRS 40 *Investment Property*
- FRS 108 *Operating Segments*

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the accounting policies of the Group and the Company and had no material effect on the amounts reported for the current or prior financial years.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

New accounting standards and FRS interpretations and amendments

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 January 2016 and which the Group has not early adopted:

Effective for annual periods beginning on or after 1 January 2016

- Amendments to FRS 16 *Property plant* and equipment and FRS 38 *Intangible assets*
- Amendments to FRS 1 *Presentation of financial statements*

These amendments to FRS are not expected to have any significant impact on the financial statements of the Group.

Effective for annual periods beginning on or after 1 January 2018

- FRS 115 *Revenue from contracts with customers*
- FRS 109 *Financial instruments*

The Group is still assessing the impact on the adoption of the above FRS on the financial statements.

(b) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and rendering of services, in the ordinary course of the Group's activities, net of goods and services tax, rebates and discounts, and after eliminating sales within the Group. Revenue is recognised as follows:

(1) Sale of goods

Revenue from sale of goods is recognised when a Group entity has transferred to the customer the significant risks and rewards of the ownership of the goods, and collectibility of the related receivables is reasonably assured.

(2) Rendering of services

Revenue from services is recognised upon rendering of services.

(3) Rental income

Rental income from operating leases on investment properties is recognised on a straight-line basis over the lease term when collectability of the related receivable is reasonably assured.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Group accounting

(1) *Subsidiaries*

(i) *Consolidation*

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity including those entities which the Group has less than 50% equity interest.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(ii) *Acquisitions*

The acquisition method of accounting is used to account for business combinations by the Group.

The consideration transferred for the acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired is recorded as goodwill. Please refer to Note 2(e)(1) for the Group's accounting policy on goodwill on acquisition of subsidiaries.

Please refer to Note 2(g) for the Company's accounting policy on investments in subsidiaries and associated companies.

(iii) *Disposals*

When a change in the Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific Standard.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Group accounting (continued)

(1) Subsidiaries (continued)

(iii) Disposals (continued)

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

(2) Associated companies

Associated companies are entities over which the Group has significant influence, but not control, generally accompanying a shareholding of between and including 20% and 50% of the voting rights. Where the Group holds less than 20% of voting rights, the Group evaluates the extent of significant influence to determine if it should still regard the entity as an associated company. Investments in associated companies are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any. Investments in associated companies in the consolidated statement of financial position include goodwill (net of accumulated impairment loss) identified on acquisition, where applicable. Please refer to Note 2(e)(1) for the Group's accounting policy on goodwill.

(i) Acquisitions

Investments in associated companies are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on associated companies represents the excess of the cost of acquisition of the associate over the Group's share of the fair value of the identifiable net assets of the associate and is included in the carrying amount of the investments.

(ii) Equity method of accounting

In applying the equity method of accounting, the Group's share of its associated companies' post-acquisition profits or losses are recognised in profit or loss and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. These post-acquisition movements and distributions received from the associated companies are adjusted against the carrying amount of the investments. When the Group's share of losses in an associated company equals or exceeds its interest in the associated company, including any other unsecured non-current receivables, the Group does not recognise further losses, unless it has legal or constructive obligations to make or has made payments on behalf of the associated company. If the associated company subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

Unrealised gains on transactions between the Group and its associated companies are eliminated to the extent of the Group's interest in the associated companies. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. The accounting policies of associated companies have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Group accounting (continued)

(2) *Associated companies* (continued)

(iii) *Disposals*

Gains and losses arising from partial disposals or dilutions in investments in associated companies in which significant influence is retained are recognised in profit or loss.

Investments in associated companies are derecognised when the Group ceases to have significant influence. If the retained equity interest in the former associated company is a financial asset, the retained equity interest is measured at fair value. The difference between the carrying amount of the retained interest at the date when significant influence ceases and its fair value is recognised in profit or loss.

Please refer to Note 2(g) for the Company's accounting policy on investments in subsidiaries and associated companies.

(d) Property, plant and equipment

(1) *Leasehold land and buildings*

Leasehold land and buildings are stated at cost less accumulated depreciation and accumulated impairment losses (Note 2(h)(2)).

(2) *Plant and equipment*

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses (Note 2(h)(2)).

(3) *Components of costs*

The cost of an item of property, plant and equipment includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The projected cost of dismantlement, removal or restoration is also included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

(4) *Depreciation*

Depreciation is calculated using a straight-line method to allocate the depreciable amounts of property, plant and equipment over their estimated useful lives as follows:

Leasehold land and buildings	-	50 years or over the term of the lease, whichever is shorter
Plant and equipment	-	4 to 10 years

Construction-in-progress assets are not depreciated until they are brought to use. Fully depreciated assets are retained in the financial statements until they are no longer in use.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Property, plant and equipment (continued)

(4) Depreciation (continued)

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each financial year-end to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from items of property, plant and equipment. The effects of any revision are recognised in the profit or loss for the financial year in which the changes arise.

(5) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expense is recognised in the profit or loss when incurred.

(6) Disposal

On disposal of an item of property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is recognised in the profit or loss.

(e) Intangible assets

(1) Goodwill

Goodwill on acquisitions of subsidiaries and businesses on or after 1 January 2010 represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired.

Goodwill on acquisition of subsidiaries and businesses prior to 1 January 2010 and on acquisition of associated companies represents the excess of the cost of the acquisition over the fair value of the Group's share of their identifiable net assets at the date of acquisition.

Goodwill on subsidiaries is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Goodwill on associated companies is included in the carrying amount of the investments.

Gains and losses on the disposal of subsidiaries and associated companies include the carrying amount of goodwill relating to the entity sold, except for goodwill arising from acquisitions prior to 1 January 2001. Such goodwill was adjusted against retained profits in the year of acquisition and is not recognised in profit or loss on disposal.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Intangible assets (continued)

(2) Trademarks

Trademarks are stated at cost less accumulated amortisation and accumulated impairment losses (Note 2(h)(2)). Amortisation is calculated using the straight line method to allocate the cost of trademarks over a period not exceeding 20 years. These have been fully amortised as at the end of the reporting period.

(3) Deferred expenditure

Deferred expenditure comprises technology fee paid in advance and clinical trial expenses, which are recognised as assets as they generate future economic benefits. Technology fee expense paid in advance for the use of a third party's technology is amortised using the straight line method over a 5-year period or the period of the contract with the third party, whichever is shorter. Clinical trial expenses incurred for product registrations are amortised using the straight line method over a 5-year period.

The amortisation period and amortisation method of intangible assets other than goodwill are reviewed at least at each financial year-end. The effects of any revision are recognised in profit or loss when the changes arise.

(f) Investment properties

Investment properties of the Group, principally comprising commercial and industrial buildings, are held for long-term rental yields and/or capital appreciation and are not substantially occupied by the Group.

Investment properties are classified as non-current assets, initially recognised at cost and subsequently carried at fair value, determined annually by independent professional valuers on the highest-and-best-use basis. Changes in fair values are recognised in profit or loss.

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised as additions and the carrying amounts of the replaced components are written off to profit or loss. The cost of maintenance, repairs and minor improvements is charged to profit or loss when incurred.

On disposal of an investment property, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

(g) Investments in subsidiaries and associated companies

Investments in subsidiaries and associated companies are stated at cost less accumulated impairment losses (Note 2(h)(2)) in the Company's statement of financial position. On disposal of investments in subsidiaries and associated companies, the difference between net disposal proceeds and the carrying amount of the net investments is recognised in profit or loss.

Dividend income from subsidiaries and associated companies is recognised when the right to receive payment is established.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Impairment of non-financial assets

(1) Goodwill

Goodwill, recognised separately as an intangible asset, is tested annually for impairment and whenever there is any indication that the goodwill may be impaired.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash generating units ("CGU") expected to benefit from synergies of the business combination.

An impairment loss is recognised when the carrying amount of CGU, including the goodwill, exceeds the recoverable amount of the CGU. Recoverable amount of the CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised in profit or loss and is not reversed in a subsequent period.

(2) Intangible assets, Property, plant and equipment and Investments in subsidiaries and associated companies

Intangible assets, property, plant and equipment and investments in subsidiaries and associated companies are reviewed for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing of these assets, recoverable amount (i.e. the higher of the fair value less cost to sell and value in use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset other than goodwill is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Financial assets

(1) Classification

The Group classifies its investments in financial assets in the following categories: loans and receivables, and available-for-sale. The classification depends on the nature of the asset and the purpose for which the assets have been acquired. Management determines the classification of its financial assets at initial recognition.

(i) Loans and receivables

Loans and receivables (excluding prepayments) are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except those maturing later than 12 months after the end of the reporting period which are classified as non-current assets. Loans and receivables are presented as "trade and other receivables" (Note 17) and "cash and bank balances" (Note 18) on the statement of financial position.

(ii) Financial assets, available-for-sale

Financial assets, available-for-sale are non-derivatives that are either designated in this category or not classified in any of the other categories.

(2) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date - the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a financial asset, the difference between the net sale proceeds and its carrying amount is recognised in profit or loss. Any amount previously recognised in other comprehensive income and accumulated in the fair value reserve relating to that asset is reclassified to profit or loss.

(3) Initial measurement

Financial assets are initially recognised at fair value plus transaction costs.

(4) Subsequent measurement

Available-for-sale financial assets are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method. Interest income on bank deposits is recognised on a time proportion basis in profit or loss using the effective interest method.

Changes in fair values of available-for-sale equity securities (i.e. non-monetary items) denominated in foreign currencies are recognised in other comprehensive income and accumulated in the fair value reserve, together with the related currency translation differences. Dividend income from available-for-sale financial assets is recognised separately in profit or loss when the right to receive payment is established.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Financial assets (continued)

(5) Impairment

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

(i) Loans and receivables

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

The allowance for impairment loss account is reduced through profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

(ii) Financial assets, available-for-sale

In addition to the objective evidence of impairment described in Note 2(i)(5)(i), a significant or prolonged decline in the fair value of an equity security below its cost is considered as an indicator that the available-for-sale financial asset is impaired.

If any evidence of impairment exists, the cumulative loss that was previously recognised in other comprehensive income is reclassified to profit or loss. The cumulative loss is measured as the difference between the acquisition cost (net of any principal repayments and amortisation) and the current fair value, less any impairment loss previously recognised as an expense. The impairment losses recognised as an expense on equity securities are not reversed through profit or loss.

(j) Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined on a weighted average basis. The cost of finished goods and work-in-progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity) but exclude borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and applicable variable selling expenses.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Operating leases

(1) *When a group company is the lessee:*

Leases of property, plant and equipment where a substantial portion of the risks and rewards of ownership is retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are recognised in profit or loss on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

(2) *When a group company is the lessor:*

Leases of investment properties to third parties where the Group retains substantially all risks and rewards incidental to ownership of the leased assets are classified as operating leases.

Rental income from operating leases (net of any incentives given to lessees) is recognised in profit or loss on a straight-line basis over the lease term.

When an operating lease is terminated before the lease period has expired, any payment required to be made by the lessee by way of penalty is recognised as an income in the period in which termination takes place, provided collection is reasonably assured.

(l) Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently measured at amortised cost, using the effective interest method.

(m) Income taxes

Current income tax for current and prior periods are recognised at the amounts expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax are recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arise from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting nor taxable profit or loss.

Deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries and associated companies, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Income taxes (continued)

Deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period; and

(ii) based on the tax consequence that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amounts of its assets and liabilities, except for investment properties. Investment property measured at fair value is presumed to be recovered entirely through sale.

Current and deferred income taxes are recognised as income or expenses in profit or loss for the period, except to the extent that the tax arises from a business combination or a transaction, which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

The Group accounts for investment tax credits (for example, productivity and innovative credit) similar to accounting for other tax credits where deferred tax asset is recognised for unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax credit can be utilised.

(n) Employee benefits

(1) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

(2) Share-based compensation

The Group operates an equity-settled, share-based compensation plan. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense in profit or loss with a corresponding increase in share option reserve within equity over the vesting period. The total amount to be recognised over the vesting period is determined by reference to the fair value of the options granted on the date of grant. Non-market vesting conditions are included in the estimation of the number of shares under options that are expected to become exercisable on vesting date. At the end of each reporting period, the Group revises its estimates of the number of shares under options that are expected to become exercisable on vesting date and recognises the impact of the revision of estimates in profit or loss, with a corresponding adjustment to the share option reserve over the remaining vesting period.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Hedging activities

The Group documents at the inception of the transaction the relationship between the hedging instruments and hedged items, as well as its risk management objective and strategies for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives designated as hedging instruments are highly effective in offsetting changes in fair value or cash flows of the hedged items. A non-derivative financial asset or non-derivative financial liability may be designated as a hedging instrument for a hedge of a foreign currency risk.

The fair value changes on the hedged item resulting from currency risk are recognised in profit or loss. The fair value changes on the portion of the hedging instrument designated as fair value hedges are recognised in profit or loss within the same line item as the fair value changes from the hedged item.

(p) Fair value estimation

The fair values of current financial assets and liabilities, carried at amortised cost, are assumed to approximate their carrying amounts.

The fair values of financial instruments traded in active markets (such as exchange-traded and over-the-counter securities and derivatives) are based on quoted market prices obtained from stock exchange at the end of the reporting period. The quoted market prices used for financial assets held by the Group are the current bid prices; the appropriate quoted market prices for financial liabilities are the current asking prices.

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Group uses a variety of methods such as estimated discounted cash flow analyses.

(q) Currency translation

(1) *Functional and presentation currency*

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (“the functional currency”). The consolidated financial statements of the Group are presented in Singapore Dollar, which is the Company’s functional currency.

(2) *Transactions and balances*

Transactions in a currency other than the functional currency (“foreign currency”) are translated into the functional currency using the exchange rates prevailing at the dates of transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing exchange rates at the end of the reporting period are recognised in profit or loss, except for currency translation differences on the net investment in foreign operations, borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges for foreign operations, which are included in other comprehensive income and accumulated in the foreign currency translation reserve within equity.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Currency translation (continued)

(2) *Transactions and balances* (continued)

When a foreign operation is disposed of or any borrowings forming part of the net investment of the foreign operation are repaid, a proportionate share of the accumulated translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

Non-monetary items that are measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined. Currency translation differences on non-monetary items whereby gains or losses are recognised in other comprehensive income, such as equity investments classified as available-for-sale financial assets are included in the fair value reserve.

(3) *Translation of Group entities' financial statements*

The results and financial position of Group entities (none of which has the currency of a hyperinflationary economy) that are in functional currencies different from the presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities are translated at the closing exchange rates at the reporting date;

(ii) Income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case, income and expenses are translated at the dates of the transactions); and

(iii) All resulting currency exchange differences are recognised in other comprehensive income and accumulated in currency translation reserve within equity. These currency translation differences are reclassified to profit or loss on disposal or partial disposal of the entity giving rise to such reserve.

Goodwill and fair value adjustments arising from the acquisition of a foreign entity on or after 1 January 2005 are treated as assets and liabilities of the foreign entity and translated at the closing exchange rates at the date of the end of the reporting date. For acquisitions prior to 1 January 2005, the exchange rates at the dates of the acquisition are used.

(r) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the management committee and Investment Committee whose members are responsible for allocating resources and assessing performance of the operating segments.

(s) Cash and cash equivalents

For purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash and bank balances, deposits with financial institutions, bank overdrafts, if any and excludes bank deposits pledged as security. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(t) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account. When the Company's ordinary shares are repurchased, the weighted average cost of each share is written off against the share capital, with the remaining amounts written off against the retained earnings of the Company.

(u) Dividends

Final dividends to the Company's members are recognised when the dividends are approved by the members.

(v) Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate on a systematic basis. Government grants relating to expenses are shown separately as other income.

(w) Financial guarantees

The Company had issued corporate guarantees to banks for credit facilities of its subsidiaries. These guarantees are financial guarantee contracts as they require the Company to reimburse the banks if the subsidiaries fail to make principal or interest payments when due in accordance with terms of their credit facilities.

Financial guarantee contracts are initially recognised at their fair values plus transaction costs in the Company's statement of financial position.

Financial guarantee contracts are subsequently amortised to profit or loss over the period of the subsidiaries' borrowings, unless it is probable that the Company will reimburse the bank for an amount higher than the unamortised amount. In this case, the financial guarantee contracts shall be carried at the expected amount payable to the bank in the Company's statement of financial position.

(x) Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case, they are presented as non-current liabilities.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowing costs are recognised in profit or loss using the effective interest method.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Investment in Hua Han Health Industry Holdings Limited (formerly known as "Hua Han Bio-Pharmaceutical Holdings Limited")

During the financial year ended 31 December 2015, the Group diluted its ownership interest in Hua Han Health Industry Holdings Limited ("HHHI") from 14.4% to below 10% through disposal of shares. After the reduction of the Group's ownership interest, its representation on HHHI's board of directors was reduced from two out of nine members to one out of nine members. As a result, management assessed that the Group ceased to have significant influence over the major decisions relating to the relevant activities of HHHI. Consequently, this investment has been reclassified to available-for-sale financial assets as set out in Note 14.

As a result of the reclassification to available-for-sale financial assets, the difference between the carrying amount of the retained interest at the date when significant influence ceased and its fair value, was recognised in profit or loss on that date as follows:

	Income statement $'000	Other comprehensive income $'000
Transfer of previously recognised translation reserve	4,543	(4,543)
Gain from difference between carrying amount and fair value on date of loss of significant influence	2,487	–

In addition to the above, the Group's previously recognised share of HHHI's share option reserve of approximately $3,658,000 was credited directly to retained profits on the same date.

The retained interest in HHHI measured at fair value of approximately $154,451,000 was reclassified as available-for-sale financial assets on the same date (Note 14).

(b) Impairment of property, plant and equipment

The Group reviews annually whether there is any objective evidence or indication that its property, plant and equipment may be impaired in accordance with the accounting policy stated in Note 2(h)(2). Where required, the recoverable amounts of these assets or cash-generating units, have been determined based on value-in-use calculations. These calculations require the use of assumptions and estimates. The value-in-use calculation is based on discounted cash flow model. The estimated future cash flows are discounted to their present values using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the property, plant and equipment.

Based on the calculations, the estimated recoverable amount of certain property, plant and equipment in a subsidiary of the Group within the Leisure division was determined to be lower than the carrying amount (Note 10). Consequently, an impairment charge of approximately $4,601,000 was recognised (Note 5).

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(b) Impairment of property, plant and equipment (continued)

Key assumptions used for value-in-use calculations:

Discount rate	5.5%
Growth rate	0.0%

Based on the sensitivity analysis performed, any reasonable change in the key assumptions and estimates would not result in material change to the impairment charge recognised.

4. REVENUE

Revenue of the Group represents invoiced sales and services, and rental income but excludes dividend income, interest income and intra-group transactions.

	The Group	
	2015	2014
	$'000	$'000
Sale of goods	**154,907**	125,554
Rendering of services	**10,396**	12,281
Rental income	**13,531**	16,387
	178,834	154,222

5. OTHER INCOME (NET)

	The Group	
	2015	2014
	$'000	$'000
Gross dividend income from quoted equity investments	**89,476**	62,566
(Loss)/gain on disposal of available-for-sale financial assets	**(3,286)**	3,400
Impairment of property, plant and equipment (Note 10)	**(4,601)**	–
Gain on sale of investment property	**250**	–
Interest income	**2,764**	1,434
Miscellaneous income	**1,837**	2,020
	86,440	69,420

During the financial year, the Group elected to receive approximately $22,398,000 (2014: $47,686,000) of dividend income as non-cash available-for-sale financial assets in lieu of cash dividends.

6. NATURE OF EXPENSES

	The Group	
	2015	2014
	$'000	$'000
Purchase of inventories	**45,401**	38,200
Changes in inventories	**(1,871)**	(1,107)
	43,530	37,093
Sales and marketing expenses	**34,093**	28,781
Employee benefits (Note 26(a))	**28,185**	23,410
Depreciation of property, plant and equipment (Note 10)	**5,338**	5,415
Repair and maintenance	**3,643**	3,443
Utilities	**3,012**	3,466
Property tax	**2,103**	1,720
Auditors' remuneration:		
- Auditor of the Company:		
- audit fees	**315**	394
- non-audit fees	**27**	6
- under/(over) provision of audit fees in respect of prior year	**1**	(1)
- Other auditors:		
- audit fees	**23**	29
- non-audit fees	**8**	27
Professional and legal fee	**841**	630
Trademark expenses	**353**	397
Loss on disposal and write-off of property, plant and equipment	**86**	108
Inventories written off	**216**	98
Allowance for impairment of receivables	**8**	1
Foreign exchange gain, net	**(1,172)**	(96)

7. TAXATION

	The Group	
	2015	2014
	$'000	$'000
Tax expense attributable to profit is made up of:		
Current taxation		
Current year:		
- Singapore	**8,116**	6,412
- Overseas	**3,537**	2,347
	11,653	8,759
Over provision in respect of previous years:		
- Singapore	**(26)**	(638)
- Overseas	**(70)**	(71)
	(96)	(709)
Deferred taxation		
Origination and reversal of temporary differences:		
- Singapore	**(623)**	(147)
- Overseas	**(1,029)**	177
	(1,652)	30
Under provision in respect of previous years:		
- Singapore	**–**	9
- Overseas	**484**	54
	484	63
	10,389	8,143

The tax expense on accounting profit differs from the amount that would arise using the Singapore standard rate of income tax due to the following:

	2015	2014
	$'000	$'000
Profit before taxation	**193,665**	126,968
Share of results of associated companies and gain on dilution/disposal of investment in associated company (net)	**(56,376)**	(11,917)
Profit before taxation and share of results of associated companies and gain on dilution/ disposal of associated company (net)	**137,289**	115,051
Taxation at applicable Singapore tax rate of 17% (2014: 17%)	**23,339**	19,559
Adjustments:		
- Tax rate difference in foreign subsidiaries	**400**	324
- Withholding taxes	**1,006**	1,081
- Tax effect of expenses not deductible for tax purposes	**2,056**	938
- Tax effect of income not subject to tax	**(15,942)**	(11,884)
- Tax rebates and exemptions	**(759)**	(752)
- Utilisation of previously unrecognised deferred taxes	**(103)**	(508)
- Deferred income tax asset not recognised	**4**	31
- Under/(over) provision in respect of previous years	**388**	(646)
Taxation expense	**10,389**	8,143

7. TAXATION (CONTINUED)

There is no tax charge/credit relating to the component of other comprehensive income except for fair value gains/(losses) on certain available-for-sale financial assets for which the deferred tax relating to it is disclosed in Note 21 to the financial statements.

8. DIVIDENDS PAID

	The Group	
	2015	2014
	$'000	$'000
Ordinary dividends paid:		
Final exempt 2014 dividend of 14 cents per share		
(2014: Final 2013 dividend of 14 cents per share)	**30,675**	30,652
Interim exempt 2015 dividend of 6 cents per share		
(2014: 6 cents per share)	**13,147**	13,137
	43,822	43,789
Dividend per share (net of tax)	**20 cents**	20 cents

The Directors recommend a final tax exempt one-tier dividend of 14 cents per share and a special tax exempt one-tier dividend of 15 cents per share, amounting to approximately $63.6 million to be paid for the financial year ended 31 December 2015 (2014: 14 cents per share amounting to $30.7 million). These financial statements do not reflect these dividends, which will be accounted for in the shareholders' equity as an appropriation of retained profits in the financial year ending 31 December 2016.

In accordance to the Constitution of the Company, unclaimed dividends for more than 6 years are written back.

9. EARNINGS PER SHARE

	The Group	
	2015	2014
	$'000	$'000
Earnings for the financial year	**183,276**	118,825
	'000	'000
Weighted average number of ordinary shares for		
calculation of basic earnings per share	**219,086**	218,883
Dilution adjustment for share options	**83**	119
Adjusted weighted average number of shares for		
calculation of diluted earnings per share	**219,169**	219,002

9. EARNINGS PER SHARE (CONTINUED)

	The Group 2015	The Group 2014
Earnings per share attributable to equity holders of the Company		
- Basic	**83.7 cents**	54.3 cents
- Diluted	**83.6 cents**	54.3 cents

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

The diluted earnings per share is adjusted for the effects of all dilutive potential ordinary shares. The Company has one category of dilutive potential ordinary shares which is share options. A calculation is carried out to determine the number of shares that could have been issued at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated is compared with the number of shares that would have been issued assuming the exercise of the share options. The difference is added to the denominator as an issuance of ordinary shares for no consideration. No adjustment is made to net profit (numerator).

10. PROPERTY, PLANT AND EQUIPMENT

	Leasehold land and buildings $'000	Plant and equipment $'000	Total $'000
The Group			
Cost			
At 1 January 2015	45,095	57,523	102,618
Additions	184	809	993
Disposals/write-offs	(30)	(751)	(781)
Currency translation differences	61	(104)	(43)
At 31 December 2015	45,310	57,477	102,787
Accumulated depreciation and impairment losses			
At 1 January 2015	25,564	43,867	69,431
Depreciation charge for the year	1,921	3,417	5,338
Impairment charge	3,564	1,037	4,601
Disposals/write-offs	(20)	(675)	(695)
Currency translation differences	(142)	(152)	(294)
At 31 December 2015	30,887	47,494	78,381
Net book value			
At 31 December 2015	**14,423**	**9,983**	**24,406**

10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Leasehold land and buildings $'000	Plant and equipment $'000	Total $'000
The Group			
Cost			
At 1 January 2014	44,556	55,469	100,025
Additions	61	2,469	2,530
Disposals/write-offs	(70)	(617)	(687)
Currency translation differences	548	202	750
At 31 December 2014	45,095	57,523	102,618
Accumulated depreciation and impairment losses			
At 1 January 2014	23,471	40,796	64,267
Depreciation charge for the year	1,904	3,511	5,415
Disposals/write-offs	(50)	(522)	(572)
Currency translation differences	239	82	321
At 31 December 2014	25,564	43,867	69,431
Net book value			
At 31 December 2014	**19,531**	**13,656**	**33,187**

Included in leasehold land and buildings is land use rights amounting to $1,116,000 (2014: $1,085,000).

As set out in Note 3(b), a subsidiary of the Group within the Leisure division carried out a review of the recoverable amount of its property, plant and equipment due to the challenging operating environment in which the business operates. Following the review, an impairment charge of approximately $4,601,000, representing a full write-down of these property, plant and equipment to nil value was recognised in profit or loss for the financial year ended 31 December 2015.

11. INVESTMENT PROPERTIES

	The Group	
	2015	2014
	$'000	$'000
Beginning of financial year	**225,249**	222,139
Improvements	**2,282**	339
Fair value changes on investment properties recognised in profit or loss (net)	**(1,967)**	3,075
Disposal of investment property	**(9,795)**	–
Currency translation differences	**(4,946)**	(304)
End of financial year	**210,823**	225,249
At valuation:		
Freehold and 999-year leasehold properties	**33,223**	47,149
Leasehold properties	**177,600**	178,100

The Group's investment properties consist of both commercial and industrial properties. Investment properties are mainly leased to third parties under operating leases (Note 25(b)).

The Group engages external, independent and qualified valuers to determine the fair value of the Group's properties at the end of every financial year based on the properties' highest and best use. Discussions on the valuation processes, key inputs applied in the valuation approach and the reasons for the fair value changes are held amongst the Group's property manager, the chief financial officer and the independent valuer annually.

Fair value changes of investment properties amounted to a net loss of $1,967,000 (2014: net gain of $3,075,000). These fair value changes are non-cash in nature.

The following amounts are recognised in profit or loss:

	The Group	
	2015	2014
	$'000	$'000
Rental income (Note 4)	**13,531**	16,387
Direct operating expenses arising from investment properties that generated rental income	**(5,070)**	(4,882)

Certain investment properties valued at $177,600,000 (2014: $178,100,000) are pledged to the banks as security for bank credit facilities (Note 20).

11. INVESTMENT PROPERTIES (CONTINUED)

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's investment properties:

	Fair value measurements using			
Description	**Quoted prices in active markets (Level 1) $'000**	**Significant observable inputs (Level 2) $'000**	**Significant unobservable inputs (Level 3) $'000**	**Total $'000**
Recurring fair value measurement for:				
31 December 2015				
Commercial properties	–	–	144,023	144,023
Industrial properties	–	–	66,800	66,800
Total	–	–	210,823	210,823
31 December 2014				
Commercial properties	–	–	148,435	148,435
Industrial properties	–	9,514	67,300	76,814
Total	–	9,514	215,735	225,249

Level 2 fair values of the Group's properties have been generally derived using the investment method cross referenced with the direct sales comparison approach, where there have been recent transactions of similar properties in similar locations in an active market. The cross reference revealed no significant variation in valuation. The most significant input into the direct sales comparison approach is selling price per square metre.

Level 3 fair values of the Group's properties have been derived using the income capitalisation approach which the valuers have also cross referenced with that obtained under the sales comparison approach. Sales prices of comparable properties in close proximity are adjusted for differences in key attributes such as property size, age, tenure, condition of buildings, availability of car parking facilities, dates of transaction and prevailing market conditions. The most significant input into the income capitalisation valuation approach is capitalisation rate.

Under Level 3 fair value measurement, the fair value of the investment properties was calculated using a capitalisation rate ranging from 5.25% to 7% (2014: 5.25% to 7%) for commercial properties and 7% (2014: 7%) for industrial properties. An increase in capitalisation rate will result in a decrease to the fair value of an investment property.

11. INVESTMENT PROPERTIES (CONTINUED)

Reconciliation of fair value measurements categorised within Level 3:

	Commercial properties $'000	Industrial properties $'000
2015		
Beginning of financial year	148,435	67,300
Improvements	2,282	–
Fair value changes recognised in profit or loss	(1,467)	(500)
Currency translation	(5,227)	–
End of financial year	144,023	66,800
2014		
Beginning of financial year	107,800	67,300
Transfer to Level 3	37,635	–
Improvements	28	85
Fair value changes recognised in profit or loss	2,972	(85)
End of financial year	148,435	67,300

There were no changes in valuation techniques during the year.

The Group's policy is to recognise transfers into and out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

The details of the Group's investment properties as at 31 December 2015 are as follows:

Investment properties	Description	Tenure of land	Independent valuer
Haw Par Glass Tower 178 Clemenceau Avenue Singapore 239926	9-storey office building on a land area of 899 square metres. The lettable area is 3,316 square metres.	99-year lease from 2 June 1970	DTZ Debenham Tie Leung (SEA) Pte Ltd
Haw Par Centre 180 Clemenceau Avenue Singapore 239922	6-storey office building on a land area of 2,464 square metres. The lettable area is 10,251 square metres.	99-year lease from 1 September 1952	DTZ Debenham Tie Leung (SEA) Pte Ltd
Haw Par Technocentre 401 Commonwealth Drive Singapore 149598	7-storey industrial building on a land area of 8,131 square metres. The lettable area is 15,700 square metres.	99-year lease from 1 March 1963	DTZ Debenham Tie Leung (SEA) Pte Ltd
Menara Haw Par Lot 242, Jalan Sultan Ismail, 50250 Kuala Lumpur Malaysia	32-storey office building on a land area of 2,636 square metres and a parcel of commercial land of 1,294 square metres. The lettable area of the building is 16,131 square metres.	Freehold	DTZ Nawawi Tie Leung Property Consultants Sdn Bhd

12. INVESTMENT IN SUBSIDIARIES

	The Company	
	2015	2014
	$'000	$'000
Equity investments at cost:		
Unquoted, at written down cost	**421,095**	421,095
Allowance for impairment in value	**(45,238)**	(39,138)
Beginning and end of financial year	**375,857**	381,957

Details of significant subsidiaries are shown in Note 29.

13. INVESTMENT IN ASSOCIATED COMPANIES

	The Company	
	2015	2014
	$'000	$'000
Equity investment at cost	**2,895**	2,895

(a) Partial disposal of interest in associated company and reclassification to available-for-sale financial assets

As disclosed in Note 3(a), the Group ceased to have significant influence over the major decisions relating to the relevant activities of Hua Han Health Industry Holdings Limited ("HHHI") during the financial year ended 31 December 2015. Consequently, this investment has been reclassified to available-for-sale financial assets (Note 14).

Based on cumulative cash dividends received and net proceeds from the partial disposal of HHHI, the Group has recovered fully its cash capital cost invested in HHHI.

The Group's equity accounting/gains on associated companies in the income statement are as follows:

	2015	2014
	$'000	$'000
Share of profits of associated companies	**8,806**	11,917
Gain on partial disposal of interest in HHHI	**40,540**	–
Reclassification of associated company to available-for-sale financial assets	**7,030**	–
- Transfer of previously recognised translation reserve	**4,543**	–
- Gain from difference between carrying amount and fair value on date of loss of significant influence	**2,487**	–
Equity accounting/gains on associated companies	**56,376**	11,917

In the opinion of the Directors, the Group's remaining investment in an associated company (Note 29) as at 31 December 2015 is not material to the Group. There are no contingent liabilities relating to the Group's interest in the associated company.

13. INVESTMENT IN ASSOCIATED COMPANIES (CONTINUED)

(b) Information on material associated company as at and for the year ended 31 December 2014

Set out below is the information on HHHI, which was a material associate to the Group as at 31 December 2014. HHHI's share capital consists solely of ordinary shares.

Name of company	Country of incorporation	Principal activities	% of ownership interest at 31 December 2014
Hua Han Health Industry Holdings Limited ("HHHI")	Cayman Islands	Manufacturing and sale of pharmaceutical products	14.4

HHHI, which is listed on the Hong Kong Stock Exchange, is an investment holding company with subsidiaries which operate mainly in the People's Republic of China and its principal activity is that of manufacturing and sale of pharmaceutical products, trading of pharmaceutical products and the research and development of pharmaceutical products.

At 31 December 2014, the Group's investment in HHHI had a carrying amount denominated in Hong Kong dollar with a Singapore dollar equivalent of $134,208,000. The fair value of the investment based on quoted bid price was $229,893,000.

There are no contingent liabilities relating to the Group's interest in the associated company.

Set out below is the summarised prior year financial information for HHHI.

Summarised statement of financial position

	2014 $'000
Current assets	566,068
Includes:	
- Cash and cash equivalents	342,941
Current liabilities	(78,481)
Includes:	
- Financial liabilities (excluding trade and other payables)	(39,781)
Non-current assets	490,377

13. INVESTMENT IN ASSOCIATED COMPANIES (CONTINUED)

(b) Information on material associated company as at and for the year ended 31 December 2014 (continued)

Summarised statement of financial position (continued)

	2014 $'000
Non-current liabilities	(9,918)
Includes:	
- Financial liabilities	–
- Other liabilities	(9,918)
Non-controlling interests	(35,401)
Net assets	932,645

Summarised statement of comprehensive income

	2014 $'000
Revenue	264,495
Expenses includes:	
- Depreciation and amortisation	(8,618)
Profit before taxation	90,690
Taxation	(26,628)
Profit for the year, net of tax	64,062
Other comprehensive income for the year, net of tax	466
Total comprehensive income for the year	64,528

The financial year end for HHHI is 30 June. The above summarised statements of financial position and comprehensive income were presented based on the audited financial statements for the year ended 30 June 2014 and unaudited six months results to 31 December 2014 as announced on the overseas stock exchange, adjusted for differences in accounting policies between the Group and the associated company.

13. INVESTMENT IN ASSOCIATED COMPANIES (CONTINUED)

(b) Information on material associated company as at and for the year ended 31 December 2014 (continued)

Reconciliation of summarised financial information

	2014 $'000
Net assets	
At 1 January	760,640
Profit for the year	64,062
Other comprehensive income	466
Other transactions with owners	70,526
Currency translation differences	36,951
At 31 December	932,645
Interest in associated company (14.4%)	134,208
Add:	
Carrying value of other associated company	3,482
Carrying value of Group's interest in associated companies	137,690

14. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	The Group		The Company	
	2015 $'000	2014 $'000	**2015 $'000**	2014 $'000
Beginning of financial year	**2,311,492**	1,934,728	**330**	357
Reclassification from investment in associated company (Note)	**154,451**	–	**–**	–
Additions	**42,654**	95,428	**–**	–
Fair value changes recognised in other comprehensive income	**(421,656)**	293,610	**(49)**	(27)
Disposals	**(9,082)**	(9,494)	**–**	–
Currency translation differences	**2,696**	(2,780)	**–**	–
End of financial year	**2,080,555**	2,311,492	**281**	330
Less: Non-current portion	**(1,701,036)**	(1,842,662)	**(281)**	(330)
Current portion	**379,519**	468,830	**–**	–

14. AVAILABLE-FOR-SALE FINANCIAL ASSETS (CONTINUED)

Available-for-sale financial assets are analysed as follows:

	The Group		The Company	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
Quoted investments	**2,080,179**	2,311,062	**–**	–
Unquoted investments	**376**	430	**281**	330
	2,080,555	2,311,492	**281**	330

The quoted investments are mainly listed in Singapore (Note 27(a)).

Note: The reclassified amount is based on the fair value of the retained interest in the associated company in accordance with FRS and does not represent any additional cash outlay. As disclosed in Note 13, the Group has recovered fully its cash capital cost invested in HHHI.

During the financial year, the Group elected to receive $22,398,000 (2014: $47,686,000) of dividend income as non-cash available-for-sale financial assets in lieu of cash dividends.

Certain available-for-sale financial assets valued at $175,441,000 (2014: $205,499,000) are pledged as security for bank credit facilities (Note 20).

15. INTANGIBLE ASSETS

	The Group		The Company	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
Goodwill on consolidation	**11,116**	11,116	**–**	–
Trademarks and deferred expenditure	**–**	–	**–**	–
	11,116	11,116	**–**	–

(a) Goodwill on consolidation

	The Group	
	2015	2014
	$'000	$'000
Cost		
Balance at beginning and end of financial year	**11,116**	11,116

Impairment test for goodwill

The goodwill is allocated to the healthcare division of the Group, which is regarded as a cash-generating unit ("CGU").

During the financial year, the Group has determined that there is no impairment of its CGU containing the goodwill. The recoverable amount (i.e. higher of value-in-use and fair value less costs to sell) of the CGU is determined on the basis of value-in-use calculations. These calculations incorporate cash flow projections by management covering a five-year period.

15. INTANGIBLE ASSETS (CONTINUED)

(a) Goodwill on consolidation (continued)

Key assumptions used for value-in-use calculations:

Discount rate	5.5% (2014: 7.0%)
Growth rate	0.0% (2014: 0.0%)

These assumptions have been used for the analysis of the CGU. The discount rate used is pre-tax and reflects specific risks relating to the healthcare division. Based on the sensitivity analysis performed, any reasonable change in the key assumptions would not result in any impairment adjustments.

(b) Trademarks and deferred expenditure

	Trademarks $'000	Deferred expenditure $'000
The Group		
Net book value		
2015 and 2014		
Beginning and end of financial year	–	–
At 31 December 2015 and 2014:		
Cost	3,200	1,400
Less: Accumulated amortisation	(3,200)	(1,400)
Net book value	–	–

	Trademarks $'000
The Company	
Net book value	
2015 and 2014	
Beginning and end of financial year	–
At 31 December 2015 and 2014:	
Cost	2,000
Less: Accumulated amortisation	(2,000)
Net book value	–

The Company and its wholly-owned subsidiary, Haw Par Brothers International (HK) Ltd ("HPBIHK") own the "Tiger" (Cost: $2.0 million) and "Kwan Loong" ("Double Lion") (Cost: HK$5.58 million) trademarks respectively. The Company and HPBIHK (together "the Licensors"), licensed to Haw Par Healthcare Limited ("HPH"), another wholly-owned subsidiary, the exclusive right to manufacture, distribute, market and sell "Tiger" and "Kwan Loong" products worldwide until 31 December 2037 and can be renewable for a further period of 25 years on terms to be mutually agreed between the Licensors and HPH.

16. INVENTORIES

	The Group	
	2015	2014
	$'000	$'000
Trading stocks	**19**	181
Manufacturing stocks	**6,997**	5,612
Finished stocks	**5,359**	4,927
Total	**12,375**	10,720

The cost of inventories recognised as expense and included in "Cost of sales" amounted to $43,530,000 (2014: $37,093,000).

During the financial year, the Group recognised inventories write-off of $216,000 (2014: $98,000). The inventories written off have been included in "Cost of sales" in profit or loss.

17. TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
Trade receivables	**23,991**	17,175	**3,017**	2,393
Less: Allowance for impairment of receivables	**(16)**	(8)	**–**	–
Trade receivables (net)	**23,975**	17,167	**3,017**	2,393
Advances to subsidiaries	**–**	–	**134,944**	118,648
Other receivables	**8,412**	2,744	**424**	423
Total	**32,387**	19,911	**138,385**	121,464

Other receivables mainly comprise dividends receivable and deposits of approximately $4,770,000 (2014: other debtors and deposits of approximately $1,982,000).

Advances to subsidiaries by the Company are non-trade, unsecured, interest-free and are repayable on demand. The carrying values of the advances approximate their fair values.

The carrying amounts of trade and other receivables approximate their fair values.

18. CASH AND BANK BALANCES

	The Group		The Company	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
Short term bank deposits	**292,867**	197,306	**282,662**	186,493
Cash at bank and on hand	**22,864**	27,360	**4,595**	7,777
	315,731	224,666	**287,257**	194,270

The carrying amounts of cash and bank balances approximate their fair values.

Included in the cash and bank balances are bank deposits and cash on hand amounting to $5,471,000 (2014: $5,398,000) which are not freely remittable for use by the Group because of currency exchange restrictions.

Cash and cash equivalents included in the consolidated statement of cash flows comprise the following:

	The Group	
	2015	2014
	$'000	$'000
Cash and bank balances (as above)	**315,731**	224,666
Less: Bank deposits pledged for banking facilities	**(1,523)**	(1,605)
Cash and cash equivalents per consolidated statement of cash flows	**314,208**	223,061

19. TRADE AND OTHER PAYABLES

	The Group		The Company	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
Trade payables	**4,244**	2,921	**–**	–
Other payables and accruals	**50,912**	36,145	**2,521**	2,420
Advances from subsidiaries	**–**	–	**78,183**	69,866
	55,156	39,066	**80,704**	72,286

Other payables and accruals mainly comprise of accrued advertisement and promotion expenses, and accrued employee compensation.

The carrying values of trade and other payables approximate their fair values.

Advances from subsidiaries are non-trade, unsecured, interest free and are repayable on demand.

20. BORROWINGS

	The Group and the Company	
	2015	2014
	$'000	$'000
Current		
Bank borrowings	**43,547**	56,332

The bank borrowings of the Group and the Company are exposed to interest rate changes and contractual repricing in less than 6 months from the balance sheet date for both financial years.

Bank borrowings and credit facilities of the Group are secured over certain investment properties (Note 11), certain available-for-sale financial assets (Note 14), and pledged deposits (Note 18).

The carrying value of bank borrowings approximates its fair value.

21. DEFERRED INCOME TAXATION

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The amounts, determined after appropriate offsetting, are shown on the statement of financial position as follows:

	The Group		The Company	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
Deferred income tax assets				
- to be recovered within 12 months	**(1,169)**	(263)	**–**	–
Deferred income tax liabilities				
- to be settled within 12 months	**139**	387	**–**	–
- to be settled after more than 12 months	**47,948**	63,457	**–**	–
	48,087	63,844	**–**	–
	46,918	63,581	**–**	–

21. DEFERRED INCOME TAXATION (CONTINUED)

The movements in the deferred income tax account are as follows:

	The Group		The Company	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
Beginning of financial year	**63,581**	53,085	**–**	–
Tax (credited)/charged to fair value reserve:				
- changes in fair value	**(15,512)**	10,402	**–**	–
Tax (credited)/charged to profit or loss:				
- others	**(1,168)**	93	**–**	–
	(1,168)	93	**–**	–
Currency translation differences	**17**	1	**–**	–
End of financial year	**46,918**	63,581	**–**	–

Deferred income tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group has unrecognised deferred income tax assets arising from tax losses of $21.7 million (2014: $22.5 million) at the end of the reporting period. These tax losses can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies in their respective countries of incorporation. These tax losses have no expiry date.

The Group's and Company's deferred tax liabilities have been computed based on the corporate tax rate and tax laws prevailing at the end of the reporting period.

21. DEFERRED INCOME TAXATION (CONTINUED)

The Group

The movements in the deferred income tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) during the financial year are as follows:

Deferred income tax liabilities

	Fair value changes on current available-for-sale financial assets $'000	Accelerated tax depreciation $'000	Others $'000	Total $'000
2015				
Beginning of financial year	62,526	1,318	–	63,844
Credited to equity:				
- changes in fair value	(15,512)	–	–	(15,512)
(Credited)/charged to profit or loss:				
- others	–	(673)	463	(210)
Currency translation differences	–	2	(37)	(35)
End of financial year	47,014	647	426	48,087
2014				
Beginning of financial year	52,124	1,450	–	53,574
Charged to equity:				
- changes in fair value	10,402	–	–	10,402
Credited to profit or loss:				
- others	–	(134)	–	(134)
Currency translation differences	–	2	–	2
End of financial year	62,526	1,318	–	63,844

Deferred income tax assets

	Provisions $'000	Tax losses $'000	Total $'000
2015			
Beginning of financial year	(201)	(62)	(263)
(Credited)/charged to profit or loss	(1,009)	51	(958)
Currency translation differences	53	(1)	52
End of financial year	(1,157)	(12)	(1,169)
2014			
Beginning of financial year	(368)	(121)	(489)
Charged to profit or loss	167	60	227
Currency translation differences	–	(1)	(1)
End of financial year	(201)	(62)	(263)

22. SHARE CAPITAL

The Group and the Company	Number of shares '000	Amount $'000
2015		
Beginning of financial year	218,962	248,722
Issue of 169,000 ordinary shares by virtue of exercise of share options (Note 26(c))	169	1,173
End of financial year	219,131	249,895
2014		
Beginning of financial year	218,664	246,848
Issue of 298,000 ordinary shares by virtue of exercise of share options (Note 26(c))	298	1,874
End of financial year	218,962	248,722

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction.

Please refer to Note 26(b) for details of share options.

23. RELATED PARTY TRANSACTIONS

In addition to other related party information disclosed elsewhere in the financial statements, the following material transactions have been carried out between the Group and its related parties at terms agreed between the parties during the financial year:

Key management's remuneration

The key management's remuneration includes fees, salary, bonus, commission and other emoluments (including benefits-in-kind) computed based on the cost incurred by the Group and the Company, and where the Group or Company do not incur any costs, the value of the benefit. The key management's remuneration is as follows:

	The Group	
	2015 $'000	2014 $'000
Directors' fees, salaries and other short-term employee benefits	**4,649**	4,288
Employer's contribution to Central Provident Fund and other defined contribution plans	**106**	96
Share options granted	**136**	162
	4,891	4,546

Total compensation to Directors of the Company included in the above amounted to $2,435,000 (2014: $2,304,000).

24. CONTINGENT LIABILITIES

Contingent liabilities relating to guarantees are:

	The Company	
	2015	2014
	$'000	$'000
In respect of guarantees given to banks in connection with facilities granted to subsidiaries	**–**	68

25. COMMITMENTS

(a) Capital commitments

	The Group		The Company	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
Capital commitments authorised and contracted but not provided for in the consolidated financial statements	**790**	340	**–**	–

The capital commitments above relate to construction of/purchases of property, plant and equipment and improvements to investment properties.

(b) Operating lease commitments

As a lessee

The Group leases certain offices, warehouses, and other premises under non-cancellable lease arrangements. Certain premises are further sub-leased to third parties under non-cancellable sub-lease agreements.

	The Group	
	2015	2014
	$'000	$'000
Lease rental expense	**872**	958
Sub-lease rental income recognised in consolidated income statement	**(1,314)**	(1,219)

Future minimum rentals payable under non-cancellable operating leases contracted for as of 31 December but not recognised as liabilities are as follows:

	The Group	
	2015	2014
	$'000	$'000
Within one year	**560**	568
Between one year and five years	**1,325**	1,521
After five years	**1,225**	1,476
	3,110	3,565

25. COMMITMENTS (CONTINUED)

(b) Operating lease commitments (continued)

As a lessor

The Group owns certain investment properties, which are tenanted under non-cancellable lease arrangements.

Future minimum rentals receivable under non-cancellable operating leases contracted for as of 31 December but not recognised as receivables are as follows:

	The Group	
	2015	2014
	$'000	$'000
Within one year	**15,920**	13,716
Between one year and five years	**19,206**	10,086
	35,126	23,802

26. EMPLOYEE BENEFITS

	The Group	
	2015	2014
	$'000	$'000
(a) Staff costs (including Executive Directors):		
- salaries, bonuses and other costs	**25,722**	21,469
- employer's contribution to Central Provident Fund and other defined contribution plans	**2,212**	1,636
- expensing of share options	**251**	305
	28,185	23,410

Key management's remuneration is disclosed in Note 23.

(b) The Company operates the Haw Par Corporation Group 2002 Share Option Scheme ("2002 Scheme"). The 2002 Scheme was approved by members of the Company on 22 May 2002 and further extended to 2017 on 20 April 2011.

The 2002 Scheme grants non-transferable options to selected employees and includes the participation by the non-executive directors. The maximum life-span of exercising the options is 10 years (exercise period). The options are exercisable beginning on the first anniversary from the date when the options are granted or the second anniversary if the options are granted at a discount to the market price under the 2002 Scheme. The options may be exercised in full or in part in respect of 1,000 shares or any multiple thereof, on the payment of the exercise price. The Group has no legal or constructive obligation to repurchase or settle the options in cash. The exercise price is equivalent to the average of the last dealt price for the share for five market days immediately before the offer date ("market price") at the time of grant and can be set at discounts of up to 20% to the market price under the 2002 Scheme.

26. EMPLOYEE BENEFITS (CONTINUED)

(b) During the financial year, options for 544,000 (2014: 526,000) shares were granted to qualifying employees on 3 March 2015 ("2015 Options") (2014: 3 March 2014 ("2014 Options")). The fair value of the options granted using the Trinomial valuation model is approximately $242,000 (2014: $323,000). The significant inputs into the model are exercise price of $8.58 (2014: $8.55) at the grant date, standard deviation of expected share price returns of 9% (2014: 13%), 5-year option life and annual risk-free interest rate of 0.7% (2014: 0.3%) per annum. The volatility measured at the standard deviation of expected share price returns is based on statistical analysis of daily share prices over a historical period that matches the period to expiry of the options. The 2015 Options are exercisable from 3 March 2016 and expire on 2 March 2020 (2014 Options exercisable from 3 March 2015 and expire on 1 March 2019).

(c) Information with respect to share options granted under the 2002 Scheme is as follows:

	Number of shares	
	2015	2014
Under 2002 Scheme:		
Outstanding at beginning of the financial year	**1,003,000**	789,000
Granted	**544,000**	526,000
Cancelled/ Expired/ Not accepted	**(29,000)**	(14,000)
Exercised	**(169,000)**	(298,000)
Outstanding at end of the financial year	**1,349,000**	1,003,000
Exercisable at end of the financial year	**820,000**	491,000

Details of share options granted during the financial year:

	2015	2014
Expiry date	**2.3.2020**	1.3.2019
Exercise price	**$8.58**	$8.55
Aggregate proceeds if shares are issued ($'000)	**$4,668**	$4,497

26. EMPLOYEE BENEFITS (CONTINUED)

(c) Information with respect to share options granted under the 2002 Scheme is as follows: (continued)

Movement in the number of unissued ordinary shares under option and their exercise prices are as follows:

	Number of shares covered by the options					
Date of grant	Balance at beginning of financial year or date of grant (if later)	Cancelled/ Expired/Not accepted	Exercised	Balance at end of financial year	Exercise price	Exercise period
2015						
1.3.2010	36,000	–	(36,000)	–	$5.86	1.3.2011 - 28.2.2015
1.3.2011	85,000	–	(22,000)	63,000	$6.09	1.3.2012 - 29.2.2016
1.3.2012	67,000	–	(11,000)	56,000	$5.95	1.3.2013 - 28.2.2017
4.3.2013	303,000	(2,000)	(72,000)	229,000	$7.27	4.3.2014 - 3.3.2018
3.3.2014	512,000	(12,000)	(28,000)	472,000	$8.55	3.3.2015 - 1.3.2019
3.3.2015	544,000	(15,000)	–	529,000	$8.58	3.3.2016 - 2.3.2020
	1,547,000	(29,000)	(169,000)	1,349,000		
2014						
2.3.2009	30,000	–	(30,000)	–	$3.71	2.3.2010 - 1.3.2014
1.3.2010	44,000	–	(8,000)	36,000	$5.86	1.3.2011 - 28.2.2015
1.3.2011	150,000	–	(65,000)	85,000	$6.09	1.3.2012 - 29.2.2016
1.3.2012	141,000	–	(74,000)	67,000	$5.95	1.3.2013 - 28.2.2017
4.3.2013	424,000	–	(121,000)	303,000	$7.27	4.3.2014 - 3.3.2018
3.3.2014	526,000	(14,000)	–	512,000	$8.55	3.3.2015 - 1.3.2019
	1,315,000	(14,000)	(298,000)	1,003,000		

27. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group's activities expose it to market risk (including price risk, currency risk and interest rate risk), liquidity risk and credit risk. The Group's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group. The Investment Committee then establishes the detailed policies, such as authority levels, oversight responsibilities, risk identification and measurement, exposure limits and hedging strategies, in accordance with the objectives and underlying principles approved by the Board of Directors.

Regular reports that contain the Group's exposure to each type of financial risks are submitted to Investment Committee.

(a) Market risk

The Group is exposed to market risk, including primarily changes in market prices of listed securities and in currency exchange rates.

(1) Market price risk

The Group has substantial investments carried at fair value of $2,080.6 million (2014: $2,311.5 million) held in various forms of securities as of 31 December 2015 and have been accounted for in accordance with the accounting policy stated in Note 2(i). These securities are mainly listed in Singapore.

The fair value of financial instruments traded in active markets (such as available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are categorised as Level 1 under the fair value hierarchy as set out in the relevant accounting standard.

The market price risk associated with these investments is the potential loss in fair value resulting from the decrease in market prices of securities. If prices for equity and debt securities listed in Singapore and elsewhere change by 10% (2014: 10%) with all other variables including tax rate being held constant, the equity and other comprehensive income will be affected by:

Group

	2015 $'000	2014 $'000
Listed in Singapore		
- increased by	**179,070**	216,104
- decreased by	**(179,070)**	(216,104)
Listed overseas		
- increased by	**22,599**	7,136
- decreased by	**(22,599)**	(7,136)

The above prior year figure excludes investments in associated companies that could be traded in an active market but are accounted for in accordance with the accounting policies stated in Note 2(c).

27. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(2) Foreign currency risk

The Group operates in Asia and through distributors in other parts of the world, with its principal operations in Singapore. Entities in the Group regularly transact in currencies other than their respective functional currencies ("foreign currencies"). The Group, under the guidance of the Investment Committee, manages its foreign currency exposures by a policy of matching, as far as possible, receipts and payments in each individual currency. As such, working capital of the Group is not exposed to significant currency risks.

The Group also has available forward contract facilities to hedge future foreign exchange exposure. The surplus of convertible currencies are either further matched with future foreign currency requirements or exchanged for Singapore Dollar.

The Investment Committee also monitors the foreign currency fluctuations on non-financial assets including net foreign currency exposure on investment in overseas subsidiaries.

The Group's currency exposure of financial assets/liabilities net of those denominated in the respective entities' functional currency based on the information provided to key management is as follows:

	USD $'000	HKD $'000	JPY $'000	Others $'000	Total $'000
Group					
At 31 December 2015					
Cash and cash equivalents and available-for-sale financial assets	46,016	140,620	55,544	1,270	243,450
Borrowings	–	–	(43,547)	–	(43,547)
Currency exposure on financial assets and liabilities	**46,016**	**140,620**	**11,997**	**1,270**	**199,903**
At 31 December 2014					
Cash and cash equivalents and available-for-sale financial assets	24,049	113	48,246	17,555	89,963
Borrowings	(14,662)	–	(41,670)	–	(56,332)
Currency exposure on financial assets and liabilities	**9,387**	**113**	**6,576**	**17,555**	**33,631**

27. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(2) *Foreign currency risk* (continued)

The Company's currency exposure of financial assets/liabilities net of those denominated in its functional currency based on the information provided to key management is as follows:

	USD $'000	JPY $'000	Total $'000
Company			
At 31 December 2015			
Cash and cash equivalents	14,765	–	14,765
Borrowings	–	(43,547)	(43,547)
Currency exposure on financial assets and liabilities	**14,765**	**(43,547)**	**(28,782)**
At 31 December 2014			
Borrowings	(14,662)	(41,670)	(56,332)
Currency exposure on financial assets and liabilities	**(14,662)**	**(41,670)**	**(56,332)**

A 10% (2014: 10%) weakening of Singapore Dollar against the following currencies at reporting date would increase/(decrease) profit or loss by the amounts shown below, with all other variables including tax rate being held constant:

	USD $'000	HKD $'000	JPY $'000	Others $'000	Total $'000
Group					
At 31 December 2015					
Profit or loss, after tax	1,590	12	–	106	1,708
Other comprehensive income	2,994	14,050	1,200	–	18,244
At 31 December 2014					
Profit or loss, after tax	77	11	–	1,568	1,656
Other comprehensive income	845	–	658	–	1,503

	USD $'000	JPY $'000	Total $'000
Company			
At 31 December 2015			
Profit or loss, after tax	1,226	(3,614)	(2,388)
At 31 December 2014			
Profit or loss, after tax	(1,217)	(3,459)	(4,676)

27. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(2) Foreign currency risk (continued)

A 10% (2014: 10%) strengthening of Singapore Dollar against the above currencies would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

(3) Interest rate risk

The Group does not have financial assets and financial liabilities that are exposed to significant interest rate risks. The Company periodically reviews its liabilities and monitors interest rate fluctuations to ensure that the exposure to interest rate risk is within acceptable levels.

The Group does not expect to incur material losses due to changes in interest rate of the bank borrowings.

(b) Liquidity risk

As at 31 December 2015, the Group has available cash and short term bank deposits totalling $314.2 million (2014: $223.1 million). The cash and deposits, together with the available unutilised credit facilities are expected to be sufficient to meet the funding requirements of the Group's operations.

The Group does not have any material financial liabilities maturing more than 12 months from 31 December 2015.

(c) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group.

The maximum exposure of the Group and the Company to credit risk in the event that the counterparties fail to perform their obligations as of 31 December 2015 and 2014 in relation to each class of recognised financial assets is the carrying amount of those assets as indicated in the statements of financial position with the exception that the Company has the following additional exposure to credit risk:

	The Company	
	2015	2014
	$'000	$'000
Corporate guarantees provided to banks on subsidiaries' obligations	**–**	68

The Group's and Company's major classes of financial assets that are subject to credit risk are short-term bank deposits and trade receivables.

It is the Group's policy to transact with creditworthy counterparties. In addition, the granting of material credit limits to counterparties is reviewed and approved by senior management. The Group does not expect to incur material credit losses on its financial assets or other financial instruments.

27. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Credit risk (continued)

(i) Financial assets that are neither past due nor impaired

Short-term bank deposits that are neither past due nor impaired are mainly deposits with banks with high credit-ratings assigned by international credit rating agencies. Trade receivables that are neither past due nor impaired are substantially companies with a good collection track record with the Group.

(ii) Financial assets that are past due and/or impaired

There is no other class of financial assets that is past due and/or impaired except for trade receivables.

The age analysis of trade receivables past due but not impaired is as follows:

	The Group	
	2015	2014
	$'000	$'000
Past due within 1 month	**191**	1,688
Past due 1 to 3 months	**33**	6
	224	1,694

There is $16,000 (2014: $8,000) trade and other receivables that are individually determined to be impaired and the movement of the related allowance for impairment are as follows:

	2015	2014
	$'000	$'000
Beginning of financial year	**8**	23
Allowance made during the year	**8**	1
Allowance utilised	**–**	(16)
End of financial year	**16**	8

(d) Capital risk

In managing capital, the Group's objectives are to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to members, buy back issued shares or obtain new borrowings.

Management monitors capital based on ability of the Group to generate sustainable profits and availability of retained profits for dividend payments to members. The Group's overall strategy remains unchanged from 2014.

The Group and the Company are in compliance with all externally imposed capital requirements for the financial years ended 31 December 2015 and 2014.

27. FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Financial instruments by category

The financial instruments of the Group and of the Company include the following:

	Note	The Group 2015 $'000	The Group 2014 $'000	The Company 2015 $'000	The Company 2014 $'000
Financial Assets					
Available-for-sale financial assets	14	**2,080,555**	2,311,492	**281**	330
Trade and other receivables		**28,680**	19,562	**138,378**	121,459
Cash and bank balances	18	**315,731**	224,666	**287,257**	194,270
		2,424,966	2,555,720	**425,916**	316,059
Financial Liabilities					
Trade and other payables		**51,812**	39,066	**80,704**	72,286
Borrowings	20	**43,547**	56,332	**43,547**	56,332
		95,359	95,398	**124,251**	128,618

28. SEGMENTAL REPORTING

At 31 December 2015, the Group was organised into the following main business segments:

- Manufacturing, marketing and trading of healthcare products;
- Provision of leisure-related goods and services;
- Property rental; and
- Investments in securities.

Healthcare division principally manufactures and distributes topical analgesic products under the “Tiger Balm” and “Kwan Loong” brand.

Leisure division provides family and tourist oriented leisure alternatives mainly in the form of oceanariums.

Property division owns and leases out several investment properties in the Asean region.

Investment division engages in investing activities, mainly in quoted and unquoted securities in the Asia region.

Inter-segment transactions are determined on an arm’s length basis. Unallocated costs represent corporate expenses. Segment assets consist primarily of available-for-sale financial assets, investment properties, property, plant and equipment, intangible assets, inventories, receivables, and cash and bank balances. Segment liabilities comprise operating liabilities and exclude tax liabilities. Capital expenditure on non-current assets comprises additions to investment properties, property, plant and equipment, intangible assets and investment in associated companies.

The Group evaluates performance on the basis of profit or loss from operations before tax expenses and management fees charged internally and exclude non-recurring gains and losses.

The Group accounts for inter-segment sales and transfers as if the sales or transfers were to third parties, i.e. at current market prices.

The Group’s reportable segments are strategic and distinct business units reporting to key group management. They are managed separately because each business targets different customers and carry different business risk.

28. SEGMENTAL REPORTING (CONTINUED)

(a) Reportable segments

	Healthcare products $'000	Leisure products and services $'000	Property rental $'000	Investments $'000	Eliminations $'000	Consolidated $'000
2015						
Sales to external customers	152,567	12,736	13,531	–	–	178,834
Inter-segment sales	7	–	796	–	(803)	–
Interest income	–	–	–	2,764	–	2,764
Other income	411	114	1,310	86,442	–	88,277
Inter-segment other income	–	–	–	54,660	(54,660)	–
Total revenue and other income	152,985	12,850	15,637	143,866	(55,463)	269,875
Impairment of property, plant and equipment	–	4,601	–	–	–	4,601
Depreciation	2,268	3,010	8	52	–	5,338
Segment profit/(loss)	48,122	(4,340)	9,868	143,539	(54,660)	142,529
Finance expense						(460)
Unallocated expenses						(2,813)
Profit from operations						139,256
Equity accounting/gains on associated companies	–	–	–	56,376	–	56,376
Fair value losses on investment properties	–	–	(1,967)	–	–	(1,967)
Taxation						(10,389)
Earnings for the financial year						183,276
Segment assets	78,313	11,580	212,629	2,697,849	(309,119)	2,691,252
Deferred income tax assets						1,169
Total assets per statement of financial position						2,692,421
Expenditures for segment non-current assets						
- Additions to property, plant and equipment	795	124	20	54	–	993
- Investment properties improvements	–	–	2,282	–	–	2,282
	795	124	2,302	54	–	3,275
Segment liabilities	43,130	3,110	6,428	49,388	(3,353)	98,703
Current income tax liabilities						10,508
Deferred income tax liabilities						48,087
Total liabilities per statement of financial position						157,298

28. SEGMENTAL REPORTING (CONTINUED)

(a) Reportable segments (continued)

	Healthcare products $'000	Leisure products and services $'000	Property rental $'000	Investments $'000	Eliminations $'000	Consolidated $'000
2014						
Sales to external customers	122,231	15,604	16,387	–	–	154,222
Inter-segment sales	9	–	702	–	(711)	–
Interest income	–	–	–	1,434	–	1,434
Other income	444	389	886	66,267	–	67,986
Inter-segment other income	–	–	–	39,437	(39,437)	–
Total revenue and other income	122,684	15,993	17,975	107,138	(40,148)	223,642
Depreciation	2,170	3,183	4	58	–	5,415
Segment profit	33,885	2,513	12,377	106,710	(39,437)	116,048
Finance expense						(423)
Unallocated expenses						(3,649)
Profit from operations						111,976
Equity accounting/gains on associated companies	–	–	–	11,917	–	11,917
Fair value gain on investment properties	–	–	3,075	–	–	3,075
Taxation						(8,143)
Earnings for the financial year						118,825
Segment assets	69,150	21,122	227,417	2,964,844	(308,502)	2,974,031
Deferred income tax assets						263
Total assets per statement of financial position						2,974,294
Expenditures for segment non-current assets						
- Additions to property, plant and equipment	2,114	293	6	117	–	2,530
- Investment properties improvements	–	–	339	–	–	339
	2,114	293	345	117	–	2,869
Segment liabilities	27,604	3,143	5,564	61,762	(2,675)	95,398
Current income tax liabilities						7,587
Deferred income tax liabilities						63,844
Total liabilities per statement of financial position						166,829

28. SEGMENTAL REPORTING (CONTINUED)

(b) Geographical Information

	Revenues[i] $'000	Non-current assets[ii] $'000
2015		
Singapore	35,117	198,739
Other Asian countries	91,922	51,465
Other countries	51,795	–
Total	178,834	250,204
2014		
Singapore	38,510	206,243
Other Asian countries	71,750	200,999
Other countries	43,962	–
Total	154,222	407,242

(i) Revenues are attributable to countries in which the customer is located.

(ii) Non-current assets, which include property, plant and equipment, investment properties, investment in associated companies and intangible assets, are shown based on the geographical area where the assets are located.

There was no individual country from "Other Asian countries" and "Other countries" which individually contributed more than 20% of the Group's revenue or non-current assets, except for 2014 Other Asian countries non-current assets which included investment in associated company located in Hong Kong of a carrying amount of $134,208,000. The investment in associated company has been derecognised and subsequently classified as available-for-sale financial assets in 2015.

Revenue or non-current asset contribution from one single country is disclosed separately if it exceeded 20% of the Group's revenue or non-current assets.

(c) Major customers

Revenues of approximately $70,598,000 (2014: $66,005,000) were contributed from two groups of external customers (2014: three groups). These revenues are attributable to the sale of Healthcare products in Singapore and other Asian countries.

29. SIGNIFICANT COMPANIES IN THE GROUP

	Name of Company	Country of incorporation	Principal activities	Effective equity interest held by Group 2015 %	2014 %
	Subsidiaries				
	Healthcare products				
	Haw Par Healthcare Limited	Singapore	Manufacturing, marketing and distributing healthcare products under licence	**100.0**	100.0
*	Tiger Balm (Malaysia) Sdn. Bhd.+	Malaysia	Manufacturing, marketing and distributing pharmaceutical products	**100.0**	100.0
*	Xiamen Tiger Medicals Co., Ltd.+	The People's Republic of China	Manufacturing, marketing and distributing pharmaceutical products	**100.0**	100.0
	Leisure products and services				
	Haw Par Leisure Pte Ltd	Singapore	Investment holding	**100.0**	100.0
*	Underwater World Singapore Pte Ltd	Singapore	Owning and operating oceanariums	**100.0**	100.0
*	Underwater World Pattaya Ltd +	Thailand	Owning and operating oceanariums	**100.0**	100.0
	Property				
	Haw Par Properties (Singapore) Private Limited	Singapore	Property development and owning and letting properties	**100.0**	100.0
	Haw Par Centre Private Ltd	Singapore	Property development and owning and letting properties	**100.0**	100.0
	Setron Limited	Singapore	Property development and owning and letting properties	**100.0**	100.0
*	Sovereign Sports Limited++	Hong Kong	Dormant	**100.0**	100.0
	Haw Par Land (Malaysia) Sdn. Bhd.+	Malaysia	Investment in properties and letting out of office space	**100.0**	100.0

29. SIGNIFICANT COMPANIES IN THE GROUP (CONTINUED)

	Name of Company	Country of incorporation	Principal activities	Effective equity interest held by Group 2015 %	Effective equity interest held by Group 2014 %
	Investments				
	Haw Par Capital Pte Ltd	Singapore	Investment holding	**100.0**	100.0
	Haw Par Equities Pte Ltd	Singapore	Investment holding	**100.0**	100.0
	Haw Par Investment Holdings Private Limited	Singapore	Investment holding	**100.0**	100.0
	Haw Par Pharmaceutical Holdings Pte. Ltd.	Singapore	Investment holding	**100.0**	100.0
	Haw Par Securities (Private) Limited	Singapore	Investment holding	**100.0**	100.0
	Haw Par Trading Pte Ltd	Singapore	Investment holding	**100.0**	100.0
	M & G Maritime Services Pte. Ltd.	Singapore	Investment holding	**100.0**	100.0
	Pickwick Securities Private Limited	Singapore	Investment holding	**100.0**	100.0
	Straits Maritime Leasing Private Limited	Singapore	Investment holding	**100.0**	100.0
*	Haw Par Brothers International (H.K.) Limited++	Hong Kong	Investment holding and licensing of "Kwan Loong" trademark	**100.0**	100.0
	Haw Par Management Services Pte. Ltd.	Singapore	Provision of management support services	**100.0**	100.0
	Associated companies				
	UIC Technologies Pte Ltd	Singapore	Investment holding	**40.0**	40.0
*	Hua Han Health Industry Holdings Limited (formerly known as "Hua Han Bio-Pharmaceutical Holdings Limited")#	Cayman Islands	Manufacturing and sale of pharmaceutical products	**N/A**	14.4

29. SIGNIFICANT COMPANIES IN THE GROUP (CONTINUED)

Notes

(i) Companies indicated with a (*) are indirectly held by Haw Par Corporation Limited.

(ii) Companies indicated with a (+) are audited by PricewaterhouseCoopers member firms outside Singapore.

(iii) Companies indicated with a (++) are audited by other firms. These foreign-incorporated companies are not considered as significant foreign-incorporated subsidiaries under the Singapore Exchange Securities Trading Limited - Listing Rules. Accordingly, Rule 716 of the Listing Manual has been complied with.

(iv) The company indicated with a (#) is listed on an overseas stock exchange and audited by other firm of auditors. During the financial year ended 31 December 2015, the company was reclassified from investment in associated company to available-for-sale financial assets (Note 13).

(v) All the above subsidiaries and associated companies operate in their respective countries of incorporation except Hua Han Health Industries Holdings Limited which operates mainly in the People's Republic of China.

30. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements are authorised for issue in accordance with a resolution of the Board of Directors of Haw Par Corporation Limited on 25 February 2016.

GROUP OFFICES

CORPORATE OFFICE

HAW PAR CORPORATION LIMITED
401 Commonwealth Drive
#03-03 Haw Par Technocentre
Singapore 149598
TEL : 6337 9102
FAX : 6336 9232
Website : www.hawpar.com

UNDERWATER WORLD PATTAYA LTD
22/22 Moo 11,
Sukhumvit Road,
Nongprue, Banglamung,
Chonburi 20260
Thailand
Tel : 66 3875 6879
Fax : 66 3875 6977
Website : www.underwaterworldpattaya.com

HEALTHCARE

HAW PAR HEALTHCARE LIMITED
401 Commonwealth Drive
#03-03 Haw Par Technocentre
Singapore 149598
TEL : 6337 9102
FAX : 6262 3436
Website : www.tigerbalm.com

TIGER BALM (MALAYSIA) SDN. BHD.
PLO 95 No.6
Jalan Firma 1/1
Tebrau Industrial Estate
81100 Johor Bahru
Malaysia

XIAMEN TIGER MEDICALS CO., LTD
289 Yang Guang West Road
Hai Cang District
Xiamen City 361027
The People's Republic of China

LEISURE

HAW PAR LEISURE PTE LTD
401 Commonwealth Drive
#03-03 Haw Par Technocentre
Singapore 149598

UNDERWATER WORLD SINGAPORE PTE LTD
80 Siloso Road, Sentosa
Singapore 098969
Tel : 6275 0030
Fax : 6275 0036
Email : uwspl@underwaterworld.com.sg
Website : www.underwaterworld.com.sg

PROPERTY & INVESTMENTS

HAW PAR PROPERTIES (SINGAPORE) PRIVATE LIMITED
401 Commonwealth Drive
#03-03 Haw Par Technocentre
Singapore 149598
Tel : 6337 9102
Fax : 6336 9232

HAW PAR LAND (MALAYSIA) SDN. BHD.
9th Floor, Menara Haw Par
Jalan Sultan Ismail
50250 Kuala Lumpur
Malaysia
Tel : 03 2070 1855
Fax : 03 2070 6078

HAW PAR SECURITIES (PRIVATE) LIMITED
401 Commonwealth Drive
#03-03 Haw Par Technocentre
Singapore 149598

MAJOR PRODUCTS & SERVICES

As at 31 December 2015

HEALTHCARE PRODUCTS

TIGER BRAND PRODUCTS

Tiger Balm Ointment,
Tiger Balm Soft,
Tiger Balm Plaster,
Tiger Indomethacin Plaster,
Tiger Balm Muscle Rub,
Tiger Balm Liniment,
Tiger Balm Oil,
Tiger Balm Mosquito Repellent Spray,
Tiger Balm Mosquito Repellent Patch,
Tiger Balm Mosquito Repellent Lotion,
Tiger Balm Arthritis Rub,
Tiger Balm Joint Rub,
Tiger Balm Neck & Shoulder Rub,
Tiger Balm Neck & Shoulder Rub Boost,
Tiger Balm Back Pain Patch,
Tiger Balm Ultra Thin Patch,
Tiger Balm® ACTIVE Muscle Gel,
Tiger Balm® ACTIVE Muscle Rub,
Tiger Balm® ACTIVE Muscle Spray

KWAN LOONG BRAND PRODUCTS

Kwan Loong Medicated Oil,
Kwan Loong Refresher

LEISURE FACILITIES

OCEANARIUMS
UNDERWATER WORLD SINGAPORE*

80 Siloso Road, Sentosa
Singapore 098969

- Aquarium building
- Leasehold
  Remaining Lease: 2 years

UNDERWATER WORLD PATTAYA*

22/22 Moo 11,
Sukhumvit Road,
Nongprue, Banglamung,
Chonburi 20260
Thailand

- Aquarium building
- Leasehold
  Remaining Lease: 6 years with an option to renew: 10 years

PROPERTIES

HAW PAR CENTRE

180 Clemenceau Avenue
Singapore 239922

- Six-storey commercial building
- Leasehold
  Remaining Lease: 36 years

HAW PAR GLASS TOWER

178 Clemenceau Avenue
Singapore 239926

- Eight-storey commercial building
- Leasehold
  Remaining Lease: 54 years

HAW PAR TECHNOCENTRE

401 Commonwealth Drive
Singapore 149598

- Seven-storey industrial building
- Leasehold
  Remaining Lease: 47 years

MENARA HAW PAR

Lot 242, Jalan Sultan Ismail
50250 Kuala Lumpur
Malaysia

- Thirty-two storey commercial building
- Freehold

HAW PAR TIGER BALM BUILDING*

2 Chia Ping Road
Singapore 619968

- Nine-storey industrial building
- Leasehold
  Remaining Lease: 14 years

XIAMEN TIGER MEDICALS CO. LTD*

No. 289 Yang Guang West Road
Hai Cang District
Xiamen City 361027
The People's Republic of China

- Three-storey industrial building
- Leasehold
  Remaining Lease: 43 years

* Properties used by operations are included in Property, Plant and Equipment.

STATISTICS OF SHAREHOLDINGS

As at 8 March 2016

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	10,018	50.50	309,169	0.14
100 - 1,000	4,994	25.17	1,716,200	0.78
1,001 - 10,000	4,104	20.70	12,182,439	5.56
10,001 - 1,000,000	706	3.56	27,768,676	12.67
1,000,001 AND ABOVE	14	0.07	177,200,689	80.85
TOTAL	**19,836**	**100.00**	**219,177,173**	**100.00**

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	WEE INVESTMENTS PTE LTD	60,907,926	27.79
2	CITIBANK NOMINEES SINGAPORE PTE LTD	51,833,485	23.65
3	TYE HUA NOMINEES (PTE) LTD	17,435,534	7.95
4	UOB KAY HIAN PRIVATE LIMITED	15,243,718	6.95
5	DBS NOMINEES (PRIVATE) LIMITED	10,176,715	4.64
6	UNITED OVERSEAS INSURANCE LIMITED - SHF	4,274,600	1.95
7	WAH HIN & CO PTE LTD	3,652,655	1.67
8	HSBC (SINGAPORE) NOMINEES PTE LTD	3,430,484	1.57
9	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	2,522,128	1.15
10	DBSN SERVICES PTE. LTD.	2,031,583	0.93
11	C Y WEE & CO PTE LTD	1,643,148	0.75
12	SG INVESTMENTS PTE LTD	1,617,000	0.74
13	RAFFLES NOMINEES (PTE) LIMITED	1,338,615	0.61
14	WEE CHO YAW	1,092,373	0.50
15	SINGAPORE REINSURANCE CORPORATION LTD - SHAREHOLDERS	733,000	0.33
16	LEE BOON LEONG	670,215	0.31
17	HO HAN LEONG CALVIN	550,440	0.25
18	TAN PROPRIETARY (PTE) LTD	473,000	0.22
19	CHUA WEE KENG	440,140	0.20
20	WEE EE LIM	437,192	0.20
TOTAL		180,503,951	82.36

FREE FLOAT

Based on the information available to the Company as at 8 March 2016, approximately 40% of the issued ordinary shares of the Company is held by the public and therefore, the Company has complied with Rule 723 of the SGX-ST Listing Manual which requires at least 10% of equity securities (excluding preference shares and convertible equity securities) in a class that is listed at all times held by the public.

SUBSTANTIAL SHAREHOLDERS AS AT 8 MARCH 2016

	No. of Shares held			
	Direct	Deemed	Total	%
Wee Cho Yaw	1,092,373	77,605,330	78,697,703	35.91 (1), (2), (3)
Wee Ee Cheong	128,857	74,678,311	74,807,168	34.13 (1), (2), (4)
Wee Ee Lim	437,192	73,001,217	73,438,409	33.51 (1)
Wee Ee-chao	13,826	73,134,135	73,147,961	33.37 (1), (5)
Wee Investments Private Limited	60,907,926	-	60,907,926	27.79
Supreme Island Corporation	12,085,601	-	12,085,601	5.51
First Eagle Investment Management, LLC	-	30,573,229	30,573,229	13.95 (7)
United Overseas Bank Limited	-	21,708,537	21,708,537	9.90 (8)

(1) Messrs Wee Cho Yaw, Wee Ee Cheong, Wee Ee Lim and Wee Ee-chao are deemed to be interested in the shares held by Wee Investments Private Limited, Supreme Island Corporation and Kheng Leong Co Pte Ltd.

(2) Messrs Wee Cho Yaw and Wee Ee Cheong are deemed to have an interest in the shares held by C.Y. Wee & Co Pte Ltd.

(3) Dr Wee Cho Yaw is deemed to have an interest in the shares held by UOL Group Limited.

(4) Mr Wee Ee Cheong is deemed to have an interest in the shares held by E.C. Wee Pte Ltd.

(5) Mr Wee Ee-chao is deemed to have an interest in the shares held by Protheus Investment Holdings Pte Ltd.

(6) Kheng Leong Co Pte Ltd, C.Y. Wee & Co Pte Ltd, UOL Group Limited, E.C. Wee Pte Ltd and Protheus Investment Holdings Pte Ltd are not substantial shareholders of the Company.

(7) First Eagle Investment Management, LLC is an U.S. investment adviser, holding the shares on behalf of its clients. One of its mutual funds, First Eagle Overseas Fund holds 25,512,113 shares amounting to a shareholding of 11.64%.

(8) United Overseas Bank Limited is deemed to have an interest in 17,433,937 shares held by Tye Hua Nominees (Pte) Limited and 4,274,600 shares held by United Overseas Insurance Limited - SHF.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Forty-Seventh Annual General Meeting of Haw Par Corporation Limited (the "Company") will be held at Parkroyal on Beach Road, Grand Ballroom, Level 1, 7500 Beach Road, Singapore 199591 on Friday, 29 April 2016 at 3.00 p.m. to transact the following business:

AS ORDINARY BUSINESS

Resolution 1 To receive and adopt the Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2015 together with the Auditor's Report thereon.

Resolution 2 To declare a Second & Final Tax-Exempt Dividend of 14 cents and a Special Tax-Exempt Dividend of 15 cents per share for the financial year ended 31 December 2015.

To re-appoint the following Directors, who retires under the resolutions passed at last year's Annual General Meeting pursuant to Section 153(6) of the Companies Act, Cap. 50 (which was then in force), as Director of the Company.

Resolution 3 Dr Wee Cho Yaw

Dr Wee Cho Yaw will, upon re-appointment, continue as Chairman of the Board and Investment Committee and a member of the Nominating Committee and Remuneration Committee of the Company.

Resolution 4 Dr Lee Suan Yew

Dr Lee Suan Yew will, upon re-appointment, continue as a member of the Nominating Committee of the Company. Dr Lee is considered as an independent Director.

Resolution 5 Mr Hwang Soo Jin

Mr Hwang Soo Jin will, upon re-appointment, continue as a member of the Remuneration Committee of the Company. Mr Hwang is considered as an independent Director.

Resolution 6 Mr Sat Pal Khattar

Mr Sat Pal Khattar will, upon re-appointment, continue as Chairman of the Nominating Committee and Remuneration Committee of the Company. Mr Khattar is considered as an independent Director.

To re-elect the following Directors, who are retiring by rotation pursuant to Article 98 of the Company's Constitution:

Resolution 7 Dr Chew Kia Ngee

Dr Chew Kia Ngee will, upon re-election, continue as Chairman of the Audit Committee. Dr Chew is considered as an independent Director.

Resolution 8 Mr Peter Sim Swee Yam

Mr Peter Sim Swee Yam will, upon re-election, continue as a member of the Nominating Committee and a member of the Audit Committee. Mr Sim is considered as an independent Director.

Resolution 9 To approve Directors' fees of around $444,000 for the financial year ended 31 December 2015 (2014: $382,000).

Resolution 10 To re-appoint PricewaterhouseCoopers LLP as Auditor of the Company to hold office until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration.

AS SPECIAL BUSINESS

To consider and, if thought fit, pass the following resolutions, of which Resolutions 11 and 12 will be proposed as Ordinary Resolutions and Resolution 13 will be proposed as a Special Resolution:

Ordinary Resolutions

Resolution 11 That pursuant to Section 161 of the Companies Act, Cap. 50, approval be and is hereby given to the Directors to offer and grant options to employees (including executive Directors) and non-executive Directors of the Company and/or its subsidiaries who are eligible to participate in the Haw Par Corporation Group 2002 Share Option Scheme that was extended for another five years from 6 June 2012 to 5 June 2017 by shareholders at the Annual General Meeting on 20 April 2011 ("2002 Scheme"), and in accordance with the rules of the 2002 Scheme, and to allot and issue from time to time such number of shares in the Company as may be required to be issued pursuant to the exercise of options under the 2002 Scheme, provided that the aggregate number of shares to be issued pursuant to this resolution shall not exceed five per cent (5%) of the total number of issued shares of the Company from time to time.

Resolution 12 That authority be and is hereby given to the Directors to:

(a) (i) issue shares of the Company ("shares") (whether by way of rights, bonus or otherwise); and/or (ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this resolution was in force,

provided that:

(1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed fifty per cent (50%) of the total number of issued shares (excluding treasury shares) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro-rata basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed fifteen per cent (15%) of the total number of issued shares (excluding treasury shares) (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited (the "SGX-ST")) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares) at the time this Resolution is passed after adjusting for any new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed, and any subsequent bonus issue, consolidation or subdivision of shares;

Resolution 12 (continued)

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the listing rules of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and

(4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until (i) the conclusion of the next Annual General Meeting of the Company or (ii) the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

Special Resolution

Resolution 13 That the regulations in the new Constitution submitted to this Meeting and, for the purpose of identification, subscribed to by the Company Secretary be approved and adopted as the Constitution of the Company in substitution for, and to the exclusion of, the existing Constitution.

NOTES TO RESOLUTIONS

Resolution 2 Together with the interim tax-exempt dividend of 6 cents per share paid on 4 September 2015 and subject to shareholders' approval of the second & final tax-exempt dividend of 14 cents per share and the special tax-exempt dividend of 15 cents per share, the total tax-exempt dividend for the financial year ended 31 December 2015 will be 35 cents per share (2014: 20 cents tax-exempt).

Subject to shareholders' approval of the second & final tax-exempt dividend and/or the special tax-exempt dividend, the Share Transfer Books and Register of Members of the Company will be closed* on **18 May 2016 at 5.00 p.m.**, and the second & final tax-exempt dividend and/or the special tax-exempt dividend will be payable on **27 May 2016**.

**Duly completed transfers received in respect of ordinary shares of the Company by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd at 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623 up to 5.00 p.m. on 18 May 2016 will be registered to determine shareholders' entitlement to the proposed second & final tax-exempt dividend and/or the special tax-exempt dividend, and shareholders whose securities accounts with The Central Depository (Pte) Limited are credited with shares as at 5.00 p.m. on 18 May 2016 will be entitled to such proposed dividend.*

Resolution 3** Dr Wee Cho Yaw is a veteran banker with more than 50 years' experience in the banking industry. He is the Chairman Emeritus and Adviser of United Overseas Bank Limited and Far Eastern Bank Limited.

Resolution 4** Dr Lee Suan Yew is a medical practitioner with over 50 years' experience.

Resolution 5** Mr Hwang Soo Jin is a chartered insurer with more than 50 years of business experience.

Resolution 6** Mr Sat Pal Khattar was a founding partner and later consultant in Messrs KhattarWong with over 40 years' experience in the legal profession.

** This is consequent upon the repeal of Section 153 of the Companies Act, Cap. 50, with effect from 3 January 2016. The resolution passed pursuant to Section 153(6) at last year's Annual General Meeting (as Section 153 was then still in force) permitted the re-appointment of a Director, being over 70 years of age, to hold office as a Director of the Company, only until this Meeting. Resolutions 3 to 6, respectively, are to approve and authorise the continuation of the relevant Director in office, as a Director of the Company, from the date of this Meeting onwards without limitation in tenure save for prevailing applicable laws, listing rules and/or regulations, including the Company's Constitution.

Please refer to the 'Board of Directors' section of the Company's Annual Report 2015 for information on the current directorships in other listed companies and principal commitments of these Directors.

Resolution 7 Dr Chew Kia Ngee is a Chartered Accountant with about 40 years' experience in the public accounting profession. Please refer to the 'Board of Directors' section of the Company's Annual Report 2015 for information on the current directorships in other listed companies and principal commitments of Dr Chew.

Resolution 8 Mr Peter Sim is a practising lawyer with more than 30 years of legal practice. Please refer to the 'Board of Directors' section of the Company's Annual Report 2015 for information on the current directorships in other listed companies and principal commitments of Mr Sim.

Resolution 10 The Audit Committee undertook a review of the fees and expenses of the audit and non-audit services provided by the external auditor, PricewaterhouseCoopers LLP. It assessed whether the nature and extent of the non-audit services might prejudice the independence and objectivity of the auditor before confirming its re-nomination. It was satisfied that such services did not affect the independence of the external auditor.

Resolution 11 is to authorise the Directors to allot and issue shares pursuant to the 2002 Scheme which was approved at the Extraordinary General Meeting of the Company on 22 May 2002 and extended for another five years by shareholders at the Annual General Meeting of the Company on 20 April 2011. A copy of the Rules of the 2002 Scheme is available for inspection by shareholders during normal business hours at the registered office of the Company at 401 Commonwealth Drive, #03-03 Haw Par Technocentre, Singapore 149598. Shareholders who are eligible to participate in the Scheme shall abstain from voting.

Although the Rules of the 2002 Scheme provide that the maximum aggregate number of shares which may be issued under the 2002 Scheme is limited to fifteen per cent (15%) of the total number of issued shares of the Company, Resolution 11 provides for a lower limit, namely, five per cent (5%) of the total number of issued shares of the Company, as the Company does not anticipate that it will require a higher limit before the next Annual General Meeting.

Resolution 12 is to authorise the Directors to issue shares and to make or grant instruments (such as warrants, debentures or other securities) convertible into shares, and to issue shares in pursuance of such instruments from the date of this Meeting until the date the next Annual General Meeting of the Company is held or required by law to be held, whichever is the earlier, unless such authority is earlier revoked or varied by the shareholders of the Company at a general meeting. The aggregate number of shares which the Directors may issue (including shares to be issued pursuant to convertibles) under ordinary Resolution 12 must not exceed fifty per cent (50%) of the total number of issued shares (excluding treasury shares) with a sub-limit of fifteen per cent (15%) for issues other than on a pro rata basis. For shareholders' information, this fifteen per cent (15%) limit is lower than the twenty per cent (20%) presently permitted under the listing rules of the SGX-ST. For the purpose of determining the aggregate number of shares that may be issued, the total number of issued shares (excluding treasury shares) will be calculated as described.

Resolution 13 is to adopt a new Constitution in substitution for, and replacement of, the Company's existing Constitution. The new Constitution contains regulations that take into account the wide-ranging changes to the Companies Act, Cap. 50 introduced by the Companies (Amendment) Act 2014 and other updates to the regulatory framework. Please refer to the Letter to Shareholders for more details.

Notes:

(1) A member of the Company who is not a relevant intermediary is entitled to appoint one or two proxy/proxies to attend, speak and vote at the Meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

(2) A member of the Company who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Cap. 50.

(3) A proxy need not be a member of the Company. To be effective, the Proxy Form must be deposited at the Registered Office of the Company at 401 Commonwealth Drive, #03-03 Haw Par Technocentre, Singapore 149598, not less than 48 hours before the time set for holding the Meeting. The submission of a Proxy Form by a member does not preclude him from attending and voting in person at the Meeting if the member is able to do so. In such event, the relevant Proxy Form will be deemed to be revoked.

(4) Personal Data Privacy: By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to update its scrip holders' information (if applicable) and to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

By Order of the Board

Zann Lim
Company Secretary

Singapore
7 April 2016

PROXY FORM

HAW PAR CORPORATION LIMITED

(Incorporated in the Republic of Singapore)
Company Registration Number: 196900437M

IMPORTANT:

1. Relevant intermediaries as defined in Section 181 of the Companies Act, Cap. 50 may appoint more than two proxies to attend, speak and vote at the Annual General Meeting.
2. For CPF/SRS investors who have used their CPF/SRS monies to buy Haw Par Corporation Limited shares, this form of proxy is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors should contact their respective Agent Banks/SRS Operators if they have any queries regarding their appointment as proxies.
3. By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 7 April 2016.

FORTY-SEVENTH ANNUAL GENERAL MEETING

(BEFORE COMPLETING THIS FORM, PLEASE READ THE NOTES BEHIND)

Shares in:	Total No. of Shares Held
(a) Depository Register	
(b) Register of Members	
Total	

I/We ______________________________ (Name)

______________________________ (NRIC/Passport/Company Registration No.)

of ______________________________ (Address)

______________________________ (Telephone Number)

being a member/members of Haw Par Corporation Limited (the "Company"), hereby appoint:

Name	Address	NRIC / Passport Number	Proportion of Shareholdings	
			No. of shares	%
(a)				

and/or (delete as appropriate)

(b)				

as my/our proxy/proxies to attend, speak and vote for me/us on my/our behalf at the 47th Annual General Meeting ("AGM") to be held at PARKROYAL on Beach Road, Grand Ballroom, Level 1, 7500 Beach Road, Singapore 199591 on Friday, 29 April 2016 at 3.00 p.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions to be proposed at the AGM (of which Resolutions Nos. 1 to 12 (inclusive) will be proposed as Ordinary Resolutions and Resolution No. 13 will be proposed as a Special Resolution), as indicated below. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the AGM.

NO.	RESOLUTION	NO. OF VOTES FOR*	NO. OF VOTES AGAINST*
Ordinary Business			
1	Adoption of Directors' Statement, Audited Financial Statements and Auditor's Report		
2	Declaration of Second & Final Dividend and Special Dividend		
3	Re-appointment of Dr Wee Cho Yaw as Director		
4	Re-appointment of Dr Lee Suan Yew as Director		
5	Re-appointment of Mr Hwang Soo Jin as Director		
6	Re-appointment of Mr Sat Pal Khattar as Director		
7	Re-election of Dr Chew Kia Ngee as Director		
8	Re-election of Mr Peter Sim Swee Yam as Director		
9	Approval of Directors' fees		
10	Re-appointment of PricewaterhouseCoopers LLP as Auditor		
Special Business			
11	Authority for Directors to issue shares (Haw Par Corporation Group 2002 Share Option Scheme)		
12	Authority for Directors to issue shares (General Share Issue Mandate)		
13	Adoption of the New Constitution		

* Voting will be conducted by poll. If you wish to exercise all your votes "For" or "Against", please tick (√) within the box provided. Otherwise, please indicate the number of votes as appropriate.

Dated this_________day of____________________2016

____

Signature(s) or Common Seal of Member(s)

Notes:

1. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (maintained by The Central Depository (Pte) Limited), he should insert that number of shares. If the member has shares registered in his name in the Register of Members (maintained by or on behalf of the Company), he should insert that number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by the member.

2. A member of the Company who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the AGM in his stead. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

3. A member of the Company who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

4. "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Cap. 50.

5. A proxy need not be a member of the Company.

6. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the AGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the AGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under this instrument of proxy, to the AGM.

7. This instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 401 Commonwealth Drive, #03-03 Haw Par Technocentre, Singapore 149598, not less than 48 hours before the time fixed for holding the AGM.

8. This instrument appointing a proxy or proxies must be signed by the appointor or by his duly authorised attorney or, if the appointer is a corporation, executed under its common seal or signed by its duly authorised attorney or officer. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument appointing of proxy, failing which the instrument may be treated as invalid.

9. A corporation which is a member may appoint, by resolution of its directors or other governing body, such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act, Cap. 50.

10. Any alteration made in this instrument appointing a proxy or proxies must be initialled by the person who signs it.

11. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument (including any related attachment). In addition, in the case of a member whose shares are entered against his name in the Depository Register, the Company shall be entitled to reject any instrument appointing a proxy or proxies lodged if such member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

HAW PAR CORPORATION LIMITED
(Incorporated in the Republic of Singapore)
Company Registration Number: 196900437M

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