



## HAW PAR CORPORATION LIMITED

(Company Registration Number: 196900437M)

(Incorporated in the Republic of Singapore)

### Audited Full Year Financial Results and Dividend Announcement for the Year Ended 2016

1(a) An income statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	<b>Group</b>		
	<b>Year Ended 31 December</b>		
	<b>2016</b>	2015	+ / (-)
	<b>S\$'000</b>	S\$'000	%
<b>Revenue</b>	<b>201,644</b>	178,834	12.8
Cost of sales	<b>(76,154)</b>	(72,587)	4.9
<b>Gross profit</b>	<b>125,490</b>	106,247	18.1
Other income (net)	<b>65,315</b>	86,440	(24.4)
Distribution and marketing expenses	<b>(41,356)</b>	(42,867)	(3.5)
General and administrative expenses	<b>(12,042)</b>	(10,104)	19.2
Finance expenses	<b>(391)</b>	(460)	(15.0)
<b>Profit from operations</b>	<b>137,016</b>	139,256	(1.6)
Equity accounting/gains on associated companies	<b>854</b>	56,376	(98.5)
Fair value changes on investment properties (net)	<b>980</b>	(1,967)	N/M
<b>Profit before taxation</b>	<b>138,850</b>	193,665	(28.3)
Taxation	<b>(13,809)</b>	(10,389)	32.9
<b>Profit for the financial year, net of tax</b>	<b>125,041</b>	183,276	(31.8)

A consolidated statement of comprehensive income for the financial year ended 31 December 2016:

	<b>Group</b>		
	<b>Year Ended 31 December</b>		
	<b>2016</b>	2015	+ / (-)
	<b>S\$'000</b>	S\$'000	%
<b>Profit for the financial year, net of tax</b>	<b>125,041</b>	183,276	(31.8)
<b>Other comprehensive income/(expense), after tax</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Fair value changes on available-for-sale financial assets (net)	-	(406,144)	N/M
Reclassification of fair value changes to profit or loss on disposal of available-for-sale financial assets	-	3,286	N/M
Currency translation differences on consolidation of foreign entities (net)	<b>(1,408)</b>	(2,892)	(51.3)
Reclassification of currency translation reserve to profit or loss on deregistration of subsidiary company	<b>(302)</b>	-	N/M
Share of associated company's other comprehensive income through equity accounting	-	(2,927)	N/M
Reclassification of currency translation reserve to profit or loss on reclassification of associated company to available-for-sale financial assets	-	(4,543)	N/M
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Fair value changes on financial assets at fair value through other comprehensive income (net)	<b>(99,288)</b>	-	N/M
<b>Other comprehensive expense for the financial year, net of tax</b>	<b>(100,998)</b>	(413,220)	(75.6)
<b>Total comprehensive income/(expense) for the financial year</b>	<b>24,043</b>	(229,944)	N/M

N/M - not meaningful

**1(a) Notes to the Income Statement**

		<b>Group</b>		
		<b>Year Ended 31 December</b>		
		<b>2016</b>	2015	+ / (-)
		<b>S\$'000</b>	S\$'000	%
<b>(i)</b>	<b>Other income (net)</b>			
	Dividend income	58,411	89,476	(34.7)
	Interest income	3,426	2,764	24.0
	Impairment of property, plant and equipment	-	(4,601)	N/M
	Loss on disposal of available-for-sale financial assets	-	(3,286)	N/M
	Reclassification of currency translation reserve to profit or loss on deregistration of subsidiary company	302	-	N/M
	Gain on sale of investment property	-	250	N/M
	Miscellaneous income	3,176	1,837	72.9
		<b>65,315</b>	<b>86,440</b>	<b>(24.4)</b>
<b>(ii)</b>	<b>The following were charged/(credited) to the income statement :</b>			
	Interest on borrowings	391	460	(15.0)
	Depreciation of property, plant and equipment	3,103	5,338	(41.9)
	Allowance for impairment of receivables	-	8	N/M
	Inventories written down	190	216	(12.0)
	Foreign exchange gain, net	(878)	(1,172)	(25.1)
	Prior years' overprovision of current taxation	(548)	(96)	470.8
	Prior years' underprovision of deferred taxation	460	484	(5.0)
	(Gain)/loss on disposal and write-off of property, plant and equipment	(101)	86	N/M
	Gain on partial disposal of interest in associated company and deemed disposal on derecognition of associated company	-	(55,599)	N/M
<b>(iii)</b>	<b>Segmental results</b>			
	<u>Revenue</u>			
	Healthcare	176,384	152,567	15.6
	Leisure	8,386	12,736	(34.2)
	Property	16,874	13,531	24.7
		<b>201,644</b>	<b>178,834</b>	<b>12.8</b>
	<u>Profit/(loss) from operations</u>			
	Healthcare	66,051	48,122	37.3
	Leisure	899	(4,340)	N/M
	Property	11,988	9,868	21.5
	Investments	61,366	88,419	(30.6)
	Unallocated expenses	(3,288)	(2,813)	16.9
		<b>137,016</b>	<b>139,256</b>	<b>(1.6)</b>

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	<b>Group</b>		<b>Company</b>	
	<b>31/12/2016</b>	<b>31/12/2015</b>	<b>31/12/2016</b>	<b>31/12/2015</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	23,450	24,406	-	-
Investment properties	211,362	210,823	-	-
Investment in subsidiaries	-	-	375,357	375,857
Investment in associated company	4,313	3,859	2,895	2,895
Financial assets (FVOCI) / Available-for-sale financial assets	1,630,061	1,701,036	231	281
Deferred income tax assets	539	1,169	-	-
Intangible assets	11,116	11,116	-	-
	<b>1,880,841</b>	<b>1,952,409</b>	<b>378,483</b>	<b>379,033</b>
<b>Current assets</b>				
Financial assets (FVOCI) / Available-for-sale financial assets	397,270	379,519	-	-
Inventories	11,523	12,375	-	-
Trade and other receivables	33,508	32,387	131,605	138,385
Cash and bank balances	313,012	315,731	283,955	287,257
	<b>755,313</b>	<b>740,012</b>	<b>415,560</b>	<b>425,642</b>
<b>Total assets</b>	<b>2,636,154</b>	<b>2,692,421</b>	<b>794,043</b>	<b>804,675</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	52,992	55,156	34,954	80,704
Current income tax liabilities	10,981	10,508	621	490
Borrowings	45,799	43,547	45,799	43,547
	<b>109,772</b>	<b>109,211</b>	<b>81,374</b>	<b>124,741</b>
<b>Non-current liabilities</b>				
Deferred income tax liabilities	50,832	48,087	-	-
	<b>50,832</b>	<b>48,087</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>160,604</b>	<b>157,298</b>	<b>81,374</b>	<b>124,741</b>
<b>NET ASSETS</b>	<b>2,475,550</b>	<b>2,535,123</b>	<b>712,669</b>	<b>679,934</b>
<b>EQUITY</b>				
<b>Equity attributable to equity holders of the Company</b>				
Share capital	251,359	249,895	251,359	249,895
Retained profits	1,072,672	1,030,257	457,202	426,306
Other reserves	1,151,519	1,254,971	4,108	3,733
<b>Total equity</b>	<b>2,475,550</b>	<b>2,535,123</b>	<b>712,669</b>	<b>679,934</b>

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

**Amount repayable in one year or less, or on demand**

As at 31/12/2016		As at 31/12/2015	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
45,799	-	43,547	-

**Amount repayable after one year**

As at 31/12/2016		As at 31/12/2015	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
-	-	-	-

**Details of any collateral**

The Group has provided certain investment properties, equity investments and fixed deposits to secure its borrowings and credit facilities.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group	
	Year Ended 31 December	
	2016 S\$'000	2015 S\$'000
<b>Cash flows from operating activities</b>		
Profit before tax	138,850	193,665
Adjustments for:		
Dividend income	(58,411)	(89,476)
Interest income	(3,426)	(2,764)
Depreciation of property, plant and equipment	3,103	5,338
Fair value changes on investment properties (net)	(980)	1,967
Equity accounting/gains on associated companies	(854)	(56,376)
Expensing of share options	425	251
Finance expenses	391	460
Reclassification of currency translation reserve to profit or loss on deregistration of subsidiary company	(302)	-
Write-back of unclaimed dividends	(228)	(216)
Inventories written down	190	216
(Gain)/loss on disposal and write-off of property, plant and equipment	(101)	86
Impairment of property, plant and equipment	-	4,601
Loss on disposal of available-for-sale financial assets	-	3,286
Gain on sale of investment property	-	(250)
Allowance for impairment of receivables	-	8
Currency translation (gains)/losses	(779)	70
<b>Operating profit before working capital changes</b>	<b>77,878</b>	<b>60,866</b>
Decrease/(increase) in inventories	662	(1,871)
Increase in trade and other receivables	(4,281)	(5,085)
(Decrease)/increase in trade and other payables	(1,967)	13,079
<b>Cash generated from operations</b>	<b>72,292</b>	<b>66,989</b>
Dividend income received	28,711	63,534
Interest income received	3,039	2,773
Net taxation paid	(12,503)	(9,233)
<b>Net cash provided by operating activities</b>	<b>91,539</b>	<b>124,063</b>
<b>Cash flows from investing activities</b>		
Purchase of financial assets (FVOCI) / Available-for-sale financial assets	(20,331)	(20,256)
Proceeds from disposal of financial assets (FVOCI) / Available-for-sale financial assets	12,311	9,082
Purchase of property, plant and equipment	(2,801)	(993)
Dividends from associated companies	400	4,068
Proceeds from sale of property, plant and equipment	162	-
Improvements to investment properties	(104)	(2,282)
Proceeds from partial disposal of interest in associated company	-	99,322
Purchase of additional interest in associated company	-	(72,755)
Proceeds from sale of investment property	-	10,045
<b>Net cash (used in)/provided by investing activities</b>	<b>(10,363)</b>	<b>26,231</b>
<b>Cash flows from financing activities</b>		
Payment of dividends to shareholders of the Company	(85,505)	(43,822)
Proceeds from issue of share capital	1,464	1,173
Bank deposits released from pledge	1,107	82
Interest expense paid	(360)	(469)
Repayment of borrowings	-	(15,450)
<b>Net cash used in financing activities</b>	<b>(83,294)</b>	<b>(58,486)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(2,118)</b>	<b>91,808</b>
Cash and cash equivalents at beginning of the financial year	314,208	223,061
Effects of currency translation on cash and cash equivalents	506	(661)
<b>Cash and cash equivalents at end of the financial year</b>	<b>312,596</b>	<b>314,208</b>
<b>Cash and cash equivalents comprised the following:</b>		
Cash and bank balances	313,012	315,731
Less: Bank deposits pledged for banker's guarantee	(416)	(1,523)
	<b>312,596</b>	<b>314,208</b>

Note: During the financial year, approximately \$33.2m (2015: \$22.4m) of dividend income was received as non-cash financial assets (FVOCI) / available-for-sale financial assets.

1(d) (i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Share Capital	Fair Value Reserve	Other Reserve	Foreign Currency Translation Reserve	Retained Profits	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b><u>The Group</u></b>						
<b>2016</b>						
Balance at 1 January 2016	249,895	1,245,747	22,665	(13,441)	1,030,257	2,535,123
Issue of share capital	1,464	-	-	-	-	1,464
Expensing of share options	-	-	425	-	-	425
Transfer of gain on disposal of equity investments at fair value through other comprehensive income to retained profits	-	(2,879)	-	-	2,879	-
Dividends paid	-	-	-	-	(85,505)	(85,505)
Total comprehensive (expense)/income for the financial year	-	(99,288)	-	(1,710)	125,041	24,043
<b>Balance at 31 December 2016</b>	<b>251,359</b>	<b>1,143,580</b>	<b>23,090</b>	<b>(15,151)</b>	<b>1,072,672</b>	<b>2,475,550</b>
<b>2015</b>						
Balance at 1 January 2015	248,722	1,648,605	26,046	(3,079)	887,171	2,807,465
Issue of share capital	1,173	-	-	-	-	1,173
Expensing of share options	-	-	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	-	-	-	-	(43,822)	(43,822)
Total comprehensive (expense)/income for the financial year	-	(402,858)	-	(10,362)	183,276	(229,944)
<b>Balance at 31 December 2015</b>	<b>249,895</b>	<b>1,245,747</b>	<b>22,665</b>	<b>(13,441)</b>	<b>1,030,257</b>	<b>2,535,123</b>

1(d) (i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Share Capital	Fair Value Reserve	Other Reserve	Retained Profits	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000
<b><u>The Company</u></b>					
<b>2016</b>					
Balance at 1 January 2016	249,895	27	3,706	426,306	679,934
Issue of share capital	1,464	-	-	-	1,464
Expensing of share options	-	-	425	-	425
Dividends paid	-	-	-	(85,505)	(85,505)
Total comprehensive (expense)/income for the financial year	-	(50)	-	116,401	116,351
<b>Balance at 31 December 2016</b>	<b>251,359</b>	<b>(23)</b>	<b>4,131</b>	<b>457,202</b>	<b>712,669</b>
<b>2015</b>					
Balance at 1 January 2015	248,722	76	3,455	319,762	572,015
Issue of share capital	1,173	-	-	-	1,173
Expensing of share options	-	-	251	-	251
Dividends paid	-	-	-	(43,822)	(43,822)
Total comprehensive (expense)/income for the financial year	-	(49)	-	150,366	150,317
<b>Balance at 31 December 2015</b>	<b>249,895</b>	<b>27</b>	<b>3,706</b>	<b>426,306</b>	<b>679,934</b>

**1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

Since 30 September 2016, 36,000 shares were issued pursuant to the exercise of share options.

As at 31 December 2016, unissued shares under the share option scheme of the Company were as follows:

	<u>31/12/2016</u>	<u>31/12/2015</u>
The Haw Par Corporation Group 2002 Share Option Scheme	<u>1,652,000</u>	<u>1,349,000</u>

**1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	<u>31/12/2016</u>	<u>31/12/2015</u>
Total number of issued shares	<u>219,330,173</u>	<u>219,131,173</u>

**1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable.

**2. Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice.**

The figures for the year ended 31 December 2016 have been audited by the Company's independent auditor in accordance with Singapore Standards on Auditing.



**3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

The independent auditor's report is as follows:

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

for the financial year ended 31 December 2016

**Report on the Audit of the Financial Statements**

**Our opinion**

In our opinion, the accompanying consolidated financial statements of Haw Par Corporation Limited (the "Company") and its subsidiaries (the "Group") and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards ("FRSs") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2016 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

*What we have audited*

The financial statements of the Company and the Group comprise:

- the consolidated statement of financial position of the Group as at 31 December 2016;
- the consolidated income statement of the Group for the year then ended;
- the consolidated statement of comprehensive income of the Group for the year then ended;
- the consolidated statement of changes in equity of the Group for the year then ended;
- the consolidated statement of cash flows of the Group for the year then ended;
- the statement of financial position of the Company as at 31 December 2016; and
- the notes to the financial statements, including a summary of significant accounting policies.

**Basis for Opinion**

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

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

*Independence*

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 31 December 2016. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
<p><b>Valuation of financial assets at fair value through other comprehensive income</b></p> <p>As at 31 December 2016, the Group's financial assets at fair value through other comprehensive income ("FVOCI"), amounted to \$2,027.3 million, representing 77% and 82% of the Group's total assets and net assets respectively. The financial assets (FVOCI) balance comprise primarily of quoted investments.</p> <p>A material misstatement in the financial assets (FVOCI) balance can arise either from the recognition of an investment which the Group does not own or an inaccurate determination of the fair value of an investment.</p>	<p>We obtained custodian confirmations to verify the quantity of each investment held by the Group.</p> <p>For material investments with readily available market price at year-end, we verified the unit price to the closing bid price listed on the respective stock exchanges or data published by Bloomberg.</p> <p>For material investments with no readily available quoted price at year-end, we:</p> <ul style="list-style-type: none"> <li>• involved our internal valuation specialist in understanding management's valuation methodology and challenged its appropriateness, taking into account generally accepted market practices; and</li> <li>• assessed the appropriateness of key inputs (e.g. last quoted price) included in the valuation.</li> </ul> <p>No exceptions were noted from the audit procedures performed.</p>

### 3. INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HAW PAR CORPORATION LIMITED (CONTINUED)

for the financial year ended 31 December 2016

#### Other Information

Management is responsible for the other information. The other information comprises the following sections in the annual report:

- Corporate Profile
- Chairman's Statement
- Board of Directors
- Corporate Information
- Key & Senior Executives
- Group Financial Highlights
- Financial Calendar
- Operations Review
- People & The Community
- Five-Year Financial Summary
- Share Price & Trading Volume
- Financial Review
- Corporate Governance Report
- Directors' Statement
- Group Offices
- Major Products & Services

which we obtained prior to the date of this auditor's report, and the Statistics of Shareholdings section which is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Statistics of Shareholdings section in the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and take appropriate actions in accordance with SSAs.

#### Responsibilities of Management and Directors 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 Act and FRSs, 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.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

#### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

### 3. **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HAW PAR CORPORATION LIMITED (CONTINUED)**

for the financial year ended 31 December 2016

#### **Auditor's Responsibilities for the Audit of the Financial Statements (continued)**

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **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.

The engagement partner on the audit resulting in this independent auditor's report is Sim Hwee Cher.

PricewaterhouseCoopers LLP  
Public Accountants and Chartered Accountants  
23 February 2017

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

These financial results have been prepared based on accounting policies and methods of computation consistent with those adopted in the most recently audited annual financial statements for the year ended 31 December 2015, except as stated in Note 5.

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

On 1 January 2016, 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:

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

The adoption of these new standards 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.

The Group has also early adopted FRS 109 *Financial Instruments*. Management is of the view that FRS 109 provides more relevant and useful information to users of the financial statements given the Group's significant financial asset balance, particularly its strategic equity investments.

The accounting policies were changed to comply with FRS 109 as issued by the Accounting Standards Council (ASC) in December 2014. FRS 109 replaces the provision of FRS 39 *Financial Instruments* that relate to the recognition, classification and measurement of financial assets and financial liabilities; derecognition of financial instruments; impairment of financial assets and hedge accounting. FRS 109 also significantly amends other standards dealing with financial instruments such as FRS 107 *Financial Instruments: Disclosures*.

In accordance with the transitional provisions in FRS 109, comparative figures have not been restated. The adoption did not have any impact to the Group and the Company's opening retained profits and net assets.

Management has assessed which business models apply to the financial assets held by the Group at the date of initial application of FRS 109 and has classified its financial instruments into the appropriate FRS 109 categories. The main effects resulting from this reclassification are as follows:

- The Group has elected, at initial adoption, to present in other comprehensive income changes in the fair value of all its equity investments previously classified as available-for-sale financial assets because these investments are held as strategic investments. These equity investments are now classified as financial assets at fair value through other comprehensive income ("FVOCI").
- The Group's other financial assets, namely trade and other receivables, excluding prepayments and cash and bank balances that were previously classified as loans and receivables under FRS 39 have been classified as financial assets at amortised cost.

**6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	<u>Group</u>	
	Year Ended 31 December 2016	2015
Earnings per ordinary share:		
(a) Based on the weighted average number of ordinary shares on issue	57.0 cts	83.7 cts
(b) On a fully diluted basis	<u>57.0 cts</u>	<u>83.6 cts</u>

**7. Net asset value (for the issuer and group) per ordinary share based on the issued share capital of the issuer at the end of the:-**

- (a) current financial period reported on; and  
(b) immediately preceding financial year.

	<u>Group</u>		<u>Company</u>	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Net asset value per ordinary share (S\$)	<u>11.29</u>	<u>11.57</u>	<u>3.25</u>	<u>3.10</u>

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**
- (a) **any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
  - (b) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Income statement and segmental information

Group revenue increased 12.8% from \$178.8m to \$201.6m from better performance at Healthcare and Property. Profit from operations at \$137.0m was 1.6% lower than last year due to lower dividend income from investments. All operating segments generated higher profits. Earnings for the year of \$125.0m is 31.8% below prior year's earnings of \$183.3m due to one-off equity accounting gains from an associate in the previous year.

Healthcare recorded a 15.6% increase in revenue to \$176.4m and 37.3% increase in profits to \$66.1m, with higher sales to most key markets and reduced operating expenditure. Leisure had a profit of \$0.9m compared to loss of \$4.3m in 2015 due mainly to one-off impairment charge in fixed assets of Underwater World Singapore ("UWS") in 2015. Property revenue increased 24.7% to \$16.9m while profits increased 21.5% to \$12.0m due to improvement in occupancy during the year.

Other income decreased 24.4% to \$65.3m because of lower dividend income, partially offset by higher interest income.

General and administrative expenses increased 19.2% to \$12.0m due to lower unrealised favourable exchange gains in 2016 and one-off costs following the closure of UWS.

Finance expenses decreased 15.0% to \$0.4m due to partial repayment of borrowings in second half of 2015.

Property recorded a fair value gain of \$1.0m compared to \$2.0m loss in prior year.

Statements of financial position

Reduction in net asset per share from \$11.57 to \$11.29 was mainly due to lower valuations of financial assets at fair value.

9. **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

No forecast or prospect statement was made previously in respect of full year results.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The prevailing weak economic outlook and increased uncertainties in geopolitical situation will continue to influence the fair values of the Group's investments and could also affect the Group's operations.

11. If a decision regarding dividend has been made: -

- (a) Whether an interim (final) ordinary dividend has been declared (recommended); and -

- (b) (i) Amount per share:

(ii) Previous corresponding period:

- (c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of the shareholders, this must be stated.)

Name of Dividend	2016		2015		
	Second & Final (Proposed)	First & Interim	Second & Final	Special	First & Interim
Dividend Type	Cash	Cash	Cash	Cash	Cash
Dividend amount per share	10 cents per ordinary share tax-exempt (one-tier)	10 cents per ordinary share tax-exempt (one-tier)	14 cents per ordinary share tax-exempt (one-tier)	15 cents per ordinary share tax-exempt (one-tier)	6 cents per ordinary share tax-exempt (one-tier)
Tax Rate	Tax-Exempt (one-tier)	Tax-Exempt (one-tier)	Tax-Exempt (one-tier)	Tax-Exempt (one-tier)	Tax-Exempt (one-tier)

- (d) The date the dividend is payable

First & Interim Dividend - 2 September 2016

Second & Final Dividend - 26 May 2017

(Subject to shareholders' approval for the payment of the proposed Second and Final Dividend)

- (e) The date on which Registrable Transfers received by the company (up to 5:00pm) will be registered before entitlements to the dividend are determined.

The Share Transfer Books and Register of Members of the Company will be closed on 17 May 2017, 5.00 p.m. . Duly completed transfers in respect of ordinary shares in the capital of the Company ("Shares") received by the Company's Registrar up to 5.00 p.m. on 17 May 2017 will be registered to determine shareholders' entitlement to the proposed Second & Final Dividend. Shareholders whose securities accounts with The Central Depository (Pte) Limited are credited with Shares as at 5.00 p.m. on 17 May 2017 will be entitled to such proposed dividends.

12. If no dividend has been declared/recommended, a statement to that effect.

Not applicable.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group does not have any general mandate from shareholders pursuant to Rule 920.

14. Negative confirmation pursuant to Rule 705 (5) of the Listing Manual

Not required for announcement on full year results.

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

15. Segmental revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

	Healthcare products S\$'000	Leisure products and services S\$'000	Property rental S\$'000	Investments S\$'000	Eliminations S\$'000	Consolidated S\$'000
<b>(a) Business segments</b>						
<b>2016</b>						
Sales to external customers	176,384	8,386	16,874	-	-	201,644
Inter-segment sales	2	-	796	-	(798)	-
Interest income	-	-	-	3,426	-	3,426
Other income	791	1,326	730	59,042	-	61,889
Inter-segment other income	-	-	-	63,218	(63,218)	-
Total revenue and other income	<u>177,177</u>	<u>9,712</u>	<u>18,400</u>	<u>125,686</u>	<u>(64,016)</u>	<u>266,959</u>
Depreciation	<u>2,341</u>	<u>679</u>	<u>8</u>	<u>75</u>	<u>-</u>	<u>3,103</u>
Segment profit	<u>66,051</u>	<u>899</u>	<u>11,988</u>	<u>124,975</u>	<u>(63,218)</u>	<u>140,695</u>
Finance expense	-	-	-	(391)	-	(391)
Unallocated expenses	-	-	-	-	-	(3,288)
Profit from operations	-	-	-	-	-	<u>137,016</u>
Equity accounting of associated company	-	-	-	854	-	854
Fair value gains on investment properties	-	-	980	-	-	980
Taxation	-	-	-	-	-	(13,809)
Earnings for the financial year	-	-	-	-	-	<u>125,041</u>
Segment assets	89,121	5,186	212,562	2,638,321	(309,575)	2,635,615
Deferred income tax assets	-	-	-	-	-	<u>539</u>
Total assets per statement of financial position	-	-	-	-	-	<u>2,636,154</u>
Expenditures for segment non-current assets						
- Additions to property, plant and equipment	2,624	102	-	75	-	2,801
- Investment properties improvements	-	-	104	-	-	104
	<u>2,624</u>	<u>102</u>	<u>104</u>	<u>75</u>	<u>-</u>	<u>2,905</u>
Segment liabilities	<u>42,386</u>	<u>2,127</u>	<u>6,858</u>	<u>51,290</u>	<u>(3,870)</u>	<u>98,791</u>
Current income tax liabilities	-	-	-	-	-	10,981
Deferred income tax liabilities	-	-	-	-	-	<u>50,832</u>
Total liabilities per statement of financial position	-	-	-	-	-	<u>160,604</u>

**15. Segmental Reporting (cont'd)**

	Healthcare products S\$'000	Leisure products and services S\$'000	Property rental S\$'000	Investments S\$'000	Eliminations S\$'000	Consolidated S\$'000
<b>2015</b>						
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)	-
<b>Total revenue and other income</b>	<b>152,985</b>	<b>12,850</b>	<b>15,637</b>	<b>143,866</b>	<b>(55,463)</b>	<b>269,875</b>
Impairment of property, plant and equipment	-	4,601	-	-	-	4,601
Depreciation	2,268	3,010	8	52	-	5,338
<b>Segment profit/(loss)</b>	<b>48,122</b>	<b>(4,340)</b>	<b>9,868</b>	<b>143,539</b>	<b>(54,660)</b>	<b>142,529</b>
Finance expense	-	-	-	(460)	-	(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
<b>Segment assets</b>	<b>78,313</b>	<b>11,580</b>	<b>212,629</b>	<b>2,697,849</b>	<b>(309,119)</b>	<b>2,691,252</b>
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
<b>Segment liabilities</b>	<b>43,130</b>	<b>3,110</b>	<b>6,428</b>	<b>49,388</b>	<b>(3,353)</b>	<b>98,703</b>
Current income tax liabilities	-	-	-	-	-	10,508
Deferred income tax liabilities	-	-	-	-	-	48,087
Total liabilities per statement of financial position	-	-	-	-	-	157,298



**15. Segmental Reporting (cont'd)**

	Singapore S\$'000	ASEAN countries S\$'000	Other Asian countries S\$'000	Other countries S\$'000	Consolidated S\$'000
<b>(b) Geographical segments</b>					
<b>2016</b>					
Revenue <sup>(i)</sup>	37,564	58,821	71,029	34,230	201,644
Non-current assets <sup>(ii)</sup>	200,127	37,032	13,082	-	250,241
<b>2015</b>					
Revenue <sup>(i)</sup>	35,117	46,249	66,772	30,696	178,834
Non-current assets <sup>(ii)</sup>	198,739	37,047	14,418	-	250,204

<sup>(i)</sup> Revenues are attributable to countries in which the income is derived.

<sup>(ii)</sup> Non-current assets, which include property, plant and equipment, investment properties, investment in associated company and intangible assets, are shown by the geographical area where the assets are located.

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

**(c) Major customers**

Revenues of approximately \$106,571,000 (2015: \$70,598,000) were contributed from three groups of external customers (2015: two groups). These revenues are attributable to the sale of Healthcare products in Asia.

**16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Other than those stated under item 8 above, there were no major factors leading to material changes in contributions to turnover and earnings by the business or geographical segments.

**17. A breakdown of sales.**

		Group Year Ended 31 December		
		2016 S\$'000	2015 S\$'000	% increase / (decrease) %
(a)	Sales reported for first half year	104,952	96,729	8.5
(b)	Operating profit after tax reported for first half year	65,423	129,332	(49.4)
(c)	Sales reported for second half year	96,692	82,105	17.8
(d)	Operating profit after tax reported for second half year	59,618	53,944	10.5

**18. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

		2016 S\$'000	2015 S\$'000
(a)	Ordinary	85,505	43,822
(b)	Preference	-	-
(c)	Total	<u>85,505</u>	<u>43,822</u>

**19. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)**

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

**20. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Name	Age	Family Relationship with any director or chief executive officer and/or substantial shareholder	Current position and duties and the year the position was held	Details of changes in duties and position held, if any, during the year
Wee Ee Lim	56	Mr Wee Ee Lim is the son of Dr Wee Cho Yaw, the Non-executive Chairman and a substantial shareholder of the Company. He is also the brother of Mr Wee Ee-chao, a Non-executive Deputy Chairman and substantial shareholder of the Company.	Mr Wee is the President and Chief Executive Officer of the Company since 27 October 2003. He is responsible for the day-to-day operations and management of the Group.	There was no change in duties and position held during the financial year ended 31 December 2016.
Kelvin Whang Sung Tze	56	Mr Whang is the brother-in-law of Mr Wee Ee Lim who is the President and Chief Executive Officer and substantial shareholder of Haw Par Corporation Limited.	Mr Whang is the General Manager of Underwater World Pattaya Ltd ("UWP"), a Thai subsidiary in the Group. He is responsible for the day-to-day operations and management of UWP.	There was no change in duties and position held during the financial year ended 31 December 2016.

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

Zann Lim Seok Bin  
Company Secretary  
23 February 2017