

## 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 2017

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>2017</b>	2016	+ / (-)
	<b>S\$'000</b>	S\$'000	%
<b>Revenue</b>	<b>222,763</b>	201,644	10.5
Cost of sales	<b>(80,618)</b>	(76,154)	5.9
<b>Gross profit</b>	<b>142,145</b>	125,490	13.3
Other income	<b>65,585</b>	65,315	0.4
Distribution and marketing expenses	<b>(52,304)</b>	(41,356)	26.5
General and administrative expenses	<b>(15,737)</b>	(12,042)	30.7
Finance expenses	<b>(375)</b>	(391)	(4.1)
<b>Profit from operations</b>	<b>139,314</b>	137,016	1.7
Share of profit of associated company	<b>937</b>	854	9.7
Fair value changes on investment properties	<b>634</b>	980	(35.3)
<b>Profit before taxation</b>	<b>140,885</b>	138,850	1.5
Taxation	<b>(15,382)</b>	(13,809)	11.4
<b>Profit for the financial year, net of tax</b>	<b>125,503</b>	125,041	0.4

A consolidated statement of comprehensive income for the financial year ended 31 December 2017:

	<b>Group</b>		
	<b>Year Ended 31 December</b>		
	<b>2017</b>	2016	+ / (-)
	<b>S\$'000</b>	S\$'000	%
<b>Profit for the financial year, net of tax</b>	<b>125,503</b>	125,041	0.4
<b>Other comprehensive income/(expense), after tax,</b> <i>Items that may be reclassified subsequently to profit or loss:</i>			
Currency translation differences on consolidation of foreign entities (net)	<b>600</b>	(1,408)	N/M
Reclassification of currency translation reserve to profit or loss on deregistration of subsidiary company	-	(302)	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>667,565</b>	(99,288)	N/M
<b>Other comprehensive income/(expense) for the financial year, net of tax</b>	<b>668,165</b>	(100,998)	N/M
<b>Total comprehensive income for the financial year</b>	<b>793,668</b>	24,043	3,201.0

N/M - not meaningful

## 1(a) Notes to the Income Statement

	<b>Group</b>		
	<b>Year Ended 31 December</b>		
	<b>2017</b>	2016	+ / (-)
	<b>S\$'000</b>	S\$'000	%
<b>(i) Other income</b>			
Dividend income	<b>59,775</b>	58,411	2.3
Interest income	<b>3,723</b>	3,426	8.7
Reclassification of currency translation reserve to profit or loss on deregistration of subsidiary company	-	302	N/M
Miscellaneous income	<b>2,087</b>	3,176	(34.3)
	<b>65,585</b>	<b>65,315</b>	<b>0.4</b>
<b>(ii) The following were charged/(credited) to the income statement :</b>			
Interest on borrowings	<b>375</b>	391	(4.1)
Depreciation of property, plant and equipment	<b>3,502</b>	3,103	12.9
Inventories written down	<b>217</b>	190	14.2
Foreign exchange loss/(gain), net	<b>3,140</b>	(878)	N/M
Prior years' overprovision of current taxation	<b>(236)</b>	(548)	(56.9)
Prior years' (over)/underprovision of deferred taxation	<b>(15)</b>	460	N/M
Loss/(gain) on disposal and write-off of property, plant and equipment	<b>18</b>	(101)	N/M

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

	Group		Company	
	31/12/2017 S\$'000	31/12/2016 S\$'000	31/12/2017 S\$'000	31/12/2016 S\$'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	28,561	23,450	-	-
Investment properties	212,920	211,362	-	-
Investment in subsidiaries	-	-	560,334	375,357
Investment in associated company	4,850	4,313	2,895	2,895
Financial assets (FVOCI)	2,190,691	1,630,061	167	231
Deferred income tax assets	740	539	-	-
Intangible assets	11,116	11,116	-	-
	<b>2,448,878</b>	<b>1,880,841</b>	<b>563,396</b>	<b>378,483</b>
<b>Current assets</b>				
Financial assets (FVOCI)	520,025	397,270	-	-
Inventories	17,126	11,523	-	-
Trade and other receivables	32,103	33,508	135,405	131,605
Cash and bank balances	400,983	313,012	361,800	283,955
	<b>970,237</b>	<b>755,313</b>	<b>497,205</b>	<b>415,560</b>
<b>Total assets</b>	<b>3,419,115</b>	<b>2,636,154</b>	<b>1,060,601</b>	<b>794,043</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	58,633	52,992	37,872	34,954
Current income tax liabilities	11,265	10,981	781	621
Borrowings	45,048	45,799	45,048	45,799
	<b>114,946</b>	<b>109,772</b>	<b>83,701</b>	<b>81,374</b>
<b>Non-current liabilities</b>				
Deferred income tax liabilities	71,722	50,832	-	-
	<b>71,722</b>	<b>50,832</b>	-	-
<b>Total liabilities</b>	<b>186,668</b>	<b>160,604</b>	<b>83,701</b>	<b>81,374</b>
<b>NET ASSETS</b>	<b>3,232,447</b>	<b>2,475,550</b>	<b>976,900</b>	<b>712,669</b>
<b>EQUITY</b>				
<b>Equity attributable to equity holders of the Company</b>				
Share capital	257,943	251,359	257,943	251,359
Retained profits	1,175,518	1,072,672	714,155	457,202
Other reserves	1,798,986	1,151,519	4,802	4,108
<b>Total equity</b>	<b>3,232,447</b>	<b>2,475,550</b>	<b>976,900</b>	<b>712,669</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 31/12/2017		As at 31/12/2016	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
45,048	-	45,799	-

Amount repayable after one year

As at 31/12/2017		As at 31/12/2016	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
-	-	-	-

Details of any collateral

The Group has provided certain investment properties to secure its borrowings.

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.**

	<b>Group</b>	
	<b>Year Ended 31 December</b>	<b>2016</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Cash flows from operating activities</b>		
Profit before tax	140,885	138,850
Adjustments for:		
Dividend income	(59,775)	(58,411)
Interest income	(3,723)	(3,426)
Depreciation of property, plant and equipment	3,502	3,103
Share of profits of associated company	(937)	(854)
Expensing of share options	638	425
Fair value changes on investment properties	(634)	(980)
Finance expenses	375	391
Write-back of unclaimed dividends	(239)	(228)
Inventories written down	217	190
Loss/(gain) on disposal and write-off of property, plant and equipment	18	(101)
Reclassification of currency translation reserve to profit or loss on deregistration of subsidiary company	-	(302)
Unrealised currency translation losses/(gains)	2,351	(779)
<b>Operating profit before working capital changes</b>	<b>82,678</b>	<b>77,878</b>
(Increase)/decrease in inventories	(5,820)	662
Decrease/(increase) in trade and other receivables	1,578	(4,281)
Increase/(decrease) in trade and other payables	4,662	(1,967)
<b>Cash generated from operations</b>	<b>83,098</b>	<b>72,292</b>
Dividend income received	34,591	28,711
Interest income received	3,550	3,039
Net taxation paid	(14,408)	(12,503)
<b>Net cash provided by operating activities</b>	<b>106,831</b>	<b>91,539</b>
<b>Cash flows from investing activities</b>		
Proceeds from disposal of financial assets (FVOCI)	31,724	12,311
Purchase of property, plant and equipment	(8,027)	(2,801)
Purchase of financial assets (FVOCI)	(2,702)	(20,331)
Dividends from associated company	400	400
Improvements to investment properties	(65)	(104)
Proceeds from sale of property, plant and equipment	-	162
<b>Net cash provided by/(used in) investing activities</b>	<b>21,330</b>	<b>(10,363)</b>
<b>Cash flows from financing activities</b>		
Payment of dividends to shareholders of the Company	(43,993)	(85,505)
Proceeds from issue of share capital	6,584	1,464
Interest expense paid	(376)	(360)
Bank deposits released from pledge	-	1,107
<b>Net cash used in financing activities</b>	<b>(37,785)</b>	<b>(83,294)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>90,376</b>	<b>(2,118)</b>
Cash and cash equivalents at beginning of the financial year	312,596	314,208
Effects of currency translation on cash and cash equivalents	(2,410)	506
<b>Cash and cash equivalents at end of the financial year</b>	<b>400,562</b>	<b>312,596</b>
<b>Cash and cash equivalents comprised the following:</b>		
Cash and bank balances	400,983	313,012
Less: Bank deposits pledged for banker's guarantee	(421)	(416)
	<b>400,562</b>	<b>312,596</b>

Note: During the financial year, approximately \$25.2m (2016: \$33.2m) of dividend income was received as non-cash financial assets (FVOCI) in lieu of cash dividends.

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

	Share Capital	Fair Value Reserve	Other Reserve	Foreign Currency Translation Reserve	Retained Profits	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>The Group</b>						
<b>2017</b>						
Balance at 1 January 2017	251,359	1,143,580	23,090	(15,151)	1,072,672	2,475,550
Issue of share capital	6,584	-	-	-	-	6,584
Expensing of share options	-	-	638	-	-	638
Transfer of cumulative gain on disposal of equity investments at fair value through other comprehensive income to retained profits	-	(21,336)	-	-	21,336	-
Dividends paid	-	-	-	-	(43,993)	(43,993)
Total comprehensive income for the financial year	-	667,565	-	600	125,503	793,668
<b>Balance at 31 December 2017</b>	<b>257,943</b>	<b>1,789,809</b>	<b>23,728</b>	<b>(14,551)</b>	<b>1,175,518</b>	<b>3,232,447</b>
<b>2016</b>						
Balance as 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 cumulative 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>

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>2017</b>					
Balance at 1 January 2017	251,359	(23)	4,131	457,202	712,669
Issue of share capital	6,584	-	-	-	6,584
Expensing of share options	-	-	638	-	638
Transfer of cumulative gain on disposal of equity investments at fair value through other comprehensive income to retained profits	-	53	-	(53)	-
Dividends paid	-	-	-	(43,993)	(43,993)
Total comprehensive income for the financial year	-	3	-	300,999	301,002
<b>Balance at 31 December 2017</b>	<b>257,943</b>	<b>33</b>	<b>4,769</b>	<b>714,155</b>	<b>976,900</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
Balance at 31 December 2016	251,359	(23)	4,131	457,202	712,669

- 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 2017, 41,000 shares were issued pursuant to the exercise of share options.

As at 31 December 2017, unissued shares under the share option scheme of the Company were as follows:

	<u>31/12/2017</u>	<u>31/12/2016</u>
The Haw Par Corporation Group 2002 Share Option Scheme	<u>1,243,000</u>	<u>1,652,000</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>31/12/2017</u>	<u>31/12/2016</u>
Total number of issued shares	<u>220,141,173</u>	<u>219,330,173</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 2017 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 2017

**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 Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("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 2017 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 income statement of the Group for the year ended 31 December 2017;
- the consolidated statement of comprehensive income of the Group for the year ended 31 December 2017;
- the statements of financial position of the Group and of the Company as at 31 December 2017;
- 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; 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 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 2017. 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>Financial assets at fair value through other comprehensive income</b> (Note 14 of the financial statements)</p> <p>As at 31 December 2017, the Group's financial assets at fair value through other comprehensive income ("FVOCI"), amounted to \$2,710.7 million, representing 79% and 84% of the Group's total assets and net assets respectively. The financial assets (FVOCI) balance comprise primarily of quoted equity investments.</p> <p>Included in the FVOCI financial assets are 72.04 million shares of UOL Group Limited ("UOL"), of which 27.27 million shares were acquired during the current financial year through a share swap transaction as disclosed in Note 14 of the financial statements. The shares in United Industrial Corporation Limited that were exchanged for UOL shares had a fair value of \$219.0 million at date of transaction.</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 involved our internal valuation specialist in reviewing management's basis and assumptions in determining the fair value.</p> <p>For the share swap transaction, we:</p> <ul style="list-style-type: none"> <li>- reviewed the sale and purchase agreement for the key terms and conditions of the transaction;</li> <li>- validated the transfer of ownership of the shares in the transaction; and</li> <li>- audited management's accounting for and the related disclosures of the transaction in the financial statements.</li> </ul> <p>Based on the procedures performed, we found the Group's recognition of the financial assets (FVOCI) and determination of fair values to be appropriate. The share swap transaction has also been accounted for and disclosed in accordance with the relevant accounting standards.</p>

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

for the financial year ended 31 December 2017 (continued)

#### 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 and will 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 the 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**

for the financial year ended 31 December 2017 (continued)

#### **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  
26 February 2018

**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 2016, 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 2017, 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 7 Statement of cash flows
- Amendments to FRS 12 Income taxes

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.

**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 2017	2016
Earnings per ordinary share:		
(a) Based on the weighted average number of ordinary shares on issue	<b>57.1 cts</b>	57.0 cts
(b) On a fully diluted basis	<u><b>57.0 cts</b></u>	<u>57.0 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>	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Net asset value per ordinary share (S\$)	<u><b>14.68</b></u>	<u>11.29</u>	<u><b>4.44</b></u>	<u>3.25</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 10.5% from \$201.6m to \$222.8m as a result of better performance at Healthcare and Property. Profit from operations at \$139.3m was 1.7% higher than last year. Higher gross profit was partially set off by higher distribution and marketing expenses. Earnings for the year of \$125.5m is on par with prior year's earnings.

Against last year, Healthcare recorded a 14.3% increase in revenue to \$201.7m and 3.8% increase in profits to \$68.6m, with higher sales to most key markets and higher marketing expenditure from launch of new products. Revenue from Property and Leisure segments decreased 16.5% due mainly to closure of Underwater World Singapore in June 2016, partially offset by increase in revenue from property segment due to improvement in occupancy. Profit from Property and Leisure segments increased 17.0% due to increase in profit of Underwater World Pattaya and lower repair and maintenance costs at Property.

Distribution and marketing expenses increased 26.5% to \$52.3m due to increase in advertising and promotional efforts such as launching new products in Healthcare's various key markets to support its growth.

General and administrative expenses increased 30.7% to \$15.7m due to unfavourable exchange losses in 2017 compared to exchange gains in 2016.

Property recorded a fair value gain of \$0.6m compared to \$1.0m in prior year.

Statements of financial position

Property, plant and equipment increased 21.8% to \$28.6m due mainly to increase in investment in plant and equipment at Healthcare to meet with increased demand for Healthcare products.

Inventories increased 48.6% to \$17.1m due to manufacturing stocks to support increase in production and timing differences of shipment of finished goods.

Cash and cash equivalents increased 28.1% to \$401.0m due to disposal of certain financial assets and higher dividends received in cash.

Trade and other payables increased 10.6% to \$58.6m due mainly to accrued marketing expenditure to drive sales growth.

Increase in net asset per share from \$11.29 to \$14.68 was mainly due to higher market valuations of financial assets as at 31 December 2017.

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.**

Appreciation of the Singapore dollar against the US dollar may affect the competitiveness of the Group's healthcare business.

The Group's net asset value will be impacted by fluctuations in market valuation of its strategic equity investments.

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	2017		2016	
	Second & Final (Proposed)	First & Interim	Second & Final	First & Interim
Dividend Type	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)	10 cents per ordinary share tax-exempt (one-tier)	10 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)

- (d) **The date the dividend is payable**

First & Interim Dividend - 6 September 2017

Second & Final Dividend - 17 May 2018

(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 8 May 2018, 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 8 May 2018 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 8 May 2018 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	Investments S\$'000	Others <sup>1</sup> S\$'000	Eliminations S\$'000	Consolidated S\$'000
<b>(a) Business segments</b>					
<b>2017</b>					
Sales to external customers	201,662	-	21,101	-	222,763
Inter-segment sales	-	-	796	(796)	-
Interest income	-	3,723	-	-	3,723
Other income	241	60,085	1,536	-	61,862
Inter-segment other income	-	53,080	-	(53,080)	-
Total revenue and other income	<u>201,903</u>	<u>116,888</u>	<u>23,433</u>	<u>(53,876)</u>	<u>288,348</u>
Depreciation	<u>2,768</u>	<u>79</u>	<u>655</u>	<u>-</u>	<u>3,502</u>
Segment profit	<u>68,579</u>	<u>113,672</u>	<u>15,083</u>	<u>(53,080)</u>	<u>144,254</u>
Finance expense	-	(375)	-	-	(375)
Unallocated expenses	-	-	-	-	(4,565)
Profit from operations	-	-	-	-	<u>139,314</u>
Share of profit of associated company	-	937	-	-	937
Fair value gains on investment properties	-	-	634	-	634
Taxation	-	-	-	-	(15,382)
Earnings for the financial year	-	-	-	-	<u>125,503</u>
Segment assets	107,745	3,540,019	219,838	(449,227)	3,418,375
Deferred income tax assets	-	-	-	-	<u>740</u>
Total assets per statement of financial position	-	-	-	-	<u>3,419,115</u>
Expenditures for segment non-current assets					
- Additions to property, plant and equipment	8,196	508	93	-	8,797
- Investment properties improvements	-	-	65	-	65
	<u>8,196</u>	<u>508</u>	<u>158</u>	<u>-</u>	<u>8,862</u>
Segment liabilities	<u>49,180</u>	<u>51,558</u>	<u>7,288</u>	<u>(4,345)</u>	<u>103,681</u>
Current income tax liabilities	-	-	-	-	11,265
Deferred income tax liabilities	-	-	-	-	<u>71,722</u>
Total liabilities per statement of financial position	-	-	-	-	<u>186,668</u>

**Segmental Reporting (cont'd)**

	<b>Healthcare products S\$'000</b>	<b>Investments S\$'000</b>	<b>Others<sup>1</sup> S\$'000</b>	<b>Eliminations S\$'000</b>	<b>Consolidated S\$'000</b>
<b>2016</b>					
Sales to external customers	176,384	-	25,260	-	201,644
Inter-segment sales	2	-	796	(798)	-
Interest income	-	3,426	-	-	3,426
Other income	791	59,042	2,056	-	61,889
Inter-segment other income	-	63,218	-	(63,218)	-
<b>Total revenue and other income</b>	<b>177,177</b>	<b>125,686</b>	<b>28,112</b>	<b>(64,016)</b>	<b>266,959</b>
 Depreciation	 2,341	 75	 687	 -	 3,103
 Segment profit	 66,051	 124,975	 12,887	 (63,218)	 140,695
Finance expense	-	(391)	-	-	(391)
Unallocated expenses	-	-	-	-	(3,288)
Profit from operations	-	-	-	-	137,016
Share of profit of associated company	-	854	-	-	854
Fair value gains on investment properties	-	-	980	-	980
Taxation	-	-	-	-	(13,809)
Earnings for the financial year	-	-	-	-	125,041
 Segment assets	 89,121	 2,638,321	 217,748	 (309,575)	 2,635,615
Deferred income tax assets	-	-	-	-	539
Total assets per statement of financial position	-	-	-	-	2,636,154
 Expenditures for segment non-current assets	 -	 -	 -	 -	 -
- Additions to property, plant and equipment	2,624	75	102	-	2,801
- Investment properties improvements	-	-	104	-	104
	2,624	75	206	-	2,905
 Segment liabilities	 42,386	 51,290	 8,985	 (3,870)	 98,791
Current income tax liabilities	-	-	-	-	10,981
Deferred income tax liabilities	-	-	-	-	50,832
Total liabilities per statement of financial position	-	-	-	-	160,604

<sup>1</sup> Included in "Others" are property and leisure divisions which constitute less than 25% of the Group's revenue.



**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>2017</b>					
Revenue <sup>(i)</sup>	32,439	70,640	80,468	39,216	222,763
Non-current assets <sup>(ii)</sup>	206,572	38,391	12,484	-	257,447
<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

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

<sup>(ii)</sup> Non-current assets, which include property, plant and equipment, 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 \$101,232,000 (2016: \$106,571,000) were contributed from two groups of external customers (2016: three groups). These revenues are attributable to the sale of Healthcare products in Singapore and other Asian countries.

**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		
		2017 S\$'000	2016 S\$'000	% increase / (decrease) %
(a)	Sales reported for first half year	121,376	104,952	15.6
(b)	Operating profit after tax reported for first half year	69,183	65,423	5.7
(c)	Sales reported for second half year	101,387	96,692	4.9
(d)	Operating profit after tax reported for second half year	56,320	59,618	(5.5)

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

	<b>2017</b>	<b>2016</b>
	S\$'000	S\$'000
(a) Ordinary	<b>43,993</b>	85,505
(b) Preference	-	-
(c) Total	<b>43,993</b>	85,505

**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 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	57	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 2017.
Kelvin Whang Sung Tze	57	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 2017.

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

Zann Lim Seok Bin  
Company Secretary  
26 February 2018