

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 31 December 2018

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

	Group		
	Year Ended 31 December		
	2018	2017 ¹	+ / (-)
	S\$'000	S\$'000	%
		(Restated)	
Revenue	237,814	222,763	6.8
Cost of sales	(92,083)	(83,027)	10.9
Gross profit	145,731	139,736	4.3
Other income	107,967	65,585	64.6
Distribution and marketing expenses	(49,520)	(52,304)	(5.3)
General and administrative expenses	(12,956)	(15,737)	(17.7)
Finance expenses	(233)	(375)	(37.9)
Share of profit of associated company	1,290	937	37.7
Profit before taxation	192,279	137,842	39.5
Taxation	(13,211)	(15,382)	(14.1)
Profit for the financial year, net of tax	179,068	122,460	46.2

A consolidated statement of comprehensive income for the financial year ended 31 December 2018:

	Group		
	Year Ended 31 December		
	2018	2017 ¹	+ / (-)
	S\$'000	S\$'000	%
		(Restated)	
Profit for the financial year, net of tax	179,068	122,460	46.2
Other comprehensive (expense)/income, after tax,			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Currency translation differences on consolidation of foreign entities (net)	(369)	94	N/M
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Fair value changes on investments	(280,009)	667,565	N/M
Other comprehensive (expense)/income for the financial year, net of tax	(280,378)	667,659	N/M
Total comprehensive (expense)/income for the financial year	(101,310)	790,119	N/M

Note:

¹ The results for the financial year ended 31 December 2017 are restated following adoption of the new financial reporting framework, Singapore Financial Reporting Standards (International) ("SFRS(I)s") on 1 January 2018. Please refer to Note 5 for the details on financial impact from the adoption of SFRS(I)s.

N/M - not meaningful

1(a) Notes to the Income Statement

	Group		
	Year Ended 31 December		
	2018	2017 ¹	+ / (-)
	S\$'000	S\$'000	%
		(Restated)	
(i) Other income			
Dividend income	97,795	59,775	63.6
Interest income	7,343	3,723	97.2
Miscellaneous income	2,829	2,087	35.6
	107,967	65,585	64.6
(ii) The following were charged/(credited) to the income statement :			
Interest on borrowings	233	375	(37.9)
Depreciation of property, plant and equipment and investment properties	6,310	5,911	6.8
Inventories written down	79	217	(63.6)
Foreign exchange (gain)/loss, net	(981)	3,140	N/M
Prior years' overprovision of current taxation	(814)	(236)	N/M
Prior years' overprovision of deferred taxation	(1,335)	(15)	N/M
Loss on disposal and write-off of property, plant and equipment	5	18	(72.2)

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		
	31/12/2018 S\$'000	31/12/2017 ² S\$'000 (Restated)	1/1/2017 ² S\$'000 (Restated)	31/12/2018 S\$'000	31/12/2017 ² S\$'000	1/1/2017 ² S\$'000
ASSETS						
Cash and bank balances	519,627	400,983	313,012	446,164	361,800	283,955
Trade and other receivables	40,881	32,345	33,814	63,402	135,572	131,836
Inventories	24,479	17,126	11,523	-	-	-
Deferred income tax assets	2,082	740	539	-	-	-
Associate	5,740	4,850	4,313	2,895	2,895	2,895
Subsidiaries	-	-	-	555,834	560,334	375,357
Investment properties	56,569	58,766	60,757	-	-	-
Property, plant and equipment	26,983	28,561	23,450	-	-	-
Intangible assets	11,116	11,116	11,116	-	-	-
Strategic investments	2,342,975	2,710,474	2,027,025	-	-	-
Total assets	3,030,452	3,264,961	2,485,549	1,068,295	1,060,601	794,043
LIABILITIES						
Trade and other payables	65,788	58,633	52,992	46,530	37,872	34,954
Borrowings	23,251	45,048	45,799	23,251	45,048	45,799
Current income tax liabilities	12,655	11,265	10,981	973	781	621
Deferred income tax liabilities	725	71,722	50,832	-	-	-
Total liabilities	102,419	186,668	160,604	70,754	83,701	81,374
NET ASSETS	2,928,033	3,078,293	2,324,945	997,541	976,900	712,669
EQUITY						
Equity attributable to equity holders of the Company						
Share capital	264,173	257,943	251,359	264,173	257,943	251,359
Retained profits	1,175,230	1,006,719	906,916	733,330	714,155	457,202
Other reserves	1,488,630	1,813,631	1,166,670	38	4,802	4,108
Total equity	2,928,033	3,078,293	2,324,945	997,541	976,900	712,669

² The statement of financial position as at 31 December 2017 and 1 January 2017 are restated following adoption of the new financial reporting framework, Singapore Financial Reporting Standards (International) ("SFRS(I)s") on 1 January 2018. Please refer to Note 5 for the details on financial impact from the adoption of SFRS(I)s.

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

Amount repayable in one year or less, or on demand

As at 31/12/2018		As at 31/12/2017	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
23,251	-	45,048	-

Amount repayable after one year

As at 31/12/2018		As at 31/12/2017	
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.

	Group	
	Year Ended 31 December 2018 S\$'000	2017 ¹ S\$'000 (Restated)
Cash flows from operating activities		
Profit before tax	192,279	137,842
Adjustments for:		
Dividend income	(97,795)	(59,775)
Interest income	(7,343)	(3,723)
Depreciation of property, plant and equipment and investment properties	6,310	5,911
Share of profits of associated company	(1,290)	(937)
Write-back of unclaimed dividends	(243)	(239)
Finance expenses	233	375
Inventories written down	79	217
Loss on disposal and write-off of property, plant and equipment	5	18
Expensing of share options	-	638
Unrealised currency translation (gains)/losses	(1,039)	2,351
Operating profit before working capital changes	91,196	82,678
Increase in inventories	(7,432)	(5,820)
(Increase)/decrease in trade and other receivables	(7,904)	1,578
Increase in trade and other payables	8,287	4,662
Cash generated from operations	84,147	83,098
Net taxation paid	(14,600)	(14,408)
Net cash from operating activities	69,547	68,690
Cash flows from investing activities		
Proceeds from disposal of investments	66,821	31,724
Dividend income received	50,186	34,591
Interest income received	6,676	3,550
Purchase of property, plant and equipment	(3,361)	(8,027)
Dividends from associated company	400	400
Improvements to investment properties	(316)	(65)
Proceeds from sale of property, plant and equipment	7	-
Purchase of investments	-	(2,702)
Net cash from investing activities	120,413	59,471
Cash flows from financing activities		
Payment of dividends to shareholders of the Company	(55,180)	(43,993)
Repayment of borrowings	(23,110)	-
Proceeds from issue of share capital for share options exercised	6,230	6,584
Interest expense paid	(248)	(376)
Bank deposits released from pledge	222	-
Net cash used in financing activities	(72,086)	(37,785)
Net increase in cash and cash equivalents	117,874	90,376
Cash and cash equivalents at beginning of the financial year	400,562	312,596
Effects of currency translation on cash and cash equivalents	991	(2,410)
Cash and cash equivalents at end of the financial year	519,427	400,562
Cash and cash equivalents comprised the following:		
Cash and bank balances	519,627	400,983
Less: Bank deposits pledged for banking facilities	(200)	(421)
	519,427	400,562

Note: During the financial year, approximately \$47.6m (2017: \$25.2m) of dividend income was received as non-cash strategic investments 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 Reserves	Foreign Currency Translation Reserve	Retained Profits	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
The Group						
2018						
Balance at 31 December 2017 (previously reported)	257,943	1,789,809	23,728	(14,551)	1,175,518	3,232,447
Adoption of SFRS (I)	-	-	-	14,645	(168,799)	(154,154)
Balance at 1 January 2018 (restated)	257,943	1,789,809	23,728	94	1,006,719	3,078,293
Issue of share capital	6,230	-	-	-	-	6,230
Transfer from share option reserve and capital reserve to retained profits ³	-	-	(21,508)	-	21,508	-
Transfer of cumulative gain on disposal of investments to retained profits	-	(23,322)	-	-	23,322	-
Transfer from retained earnings to statutory reserve	-	-	207	-	(207)	-
Dividends paid	-	-	-	-	(55,180)	(55,180)
Total comprehensive (expense)/ income for the financial year	-	(280,009)	-	(369)	179,068	(101,310)
Balance at 31 December 2018	264,173	1,486,478	2,427	(275)	1,175,230	2,928,033
2017						
Balance as at 1 January 2017	251,359	1,143,580	23,090	(15,151)	1,072,672	2,475,550
Adoption of SFRS (I)	-	-	-	15,151	(165,756)	(150,605)
Balance at 1 January 2017 (restated)	251,359	1,143,580	23,090	-	906,916	2,324,945
Issue of share capital	6,584	-	-	-	-	6,584
Expensing of share options	-	-	638	-	-	638
Transfer of cumulative gain on disposal of investments to retained profits	-	(21,336)	-	-	21,336	-
Dividends paid	-	-	-	-	(43,993)	(43,993)
Total comprehensive income for the financial year	-	667,565	-	94	122,460	790,119
Balance at 31 December 2017	257,943	1,789,809	23,728	94	1,006,719	3,078,293

³ The share option reserve was reclassified to retained profits upon cessation of the share option scheme of the Company. Capital reserve was reclassified to retained profits due to the change in certain subsidiaries' Constitution.

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 Reserves	Retained Profits	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000
The Company					
2018					
Balance at 1 January 2018	257,943	33	4,769	714,155	976,900
Issue of share capital	6,230	-	-	-	6,230
Transfer from share option reserve to retained profits ⁴	-	-	(4,731)	4,731	-
Dividends paid	-	-	-	(55,180)	(55,180)
Total comprehensive (expense)/income for the financial year	-	(33)	-	69,624	69,591
Balance at 31 December 2018	264,173	-	38	733,330	997,541
2017					
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 investments to retained profits	-	53	-	(53)	-
Dividends paid	-	-	-	(43,993)	(43,993)
Total comprehensive income for the financial year	-	3	-	300,999	301,002
Balance at 31 December 2017	257,943	33	4,769	714,155	976,900

⁴ The share option reserve was reclassified to retained profits upon cessation of the share option scheme of the Company.

- 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 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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 2018, 9,000 shares were issued pursuant to the exercise of share options.

As at 31 December 2018, unissued shares under the share option scheme of the Company were as follows:

	<u>31/12/2018</u>	<u>31/12/2017</u>
The Haw Par Corporation Group 2002 Share Option Scheme	<u>527,000</u>	<u>1,243,000</u>

The Company did not hold any treasury shares and there were no subsidiary holdings as at 31 December 2018 and 31 December 2017.

- 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>31/12/2018</u>	<u>31/12/2017</u>
Total number of issued shares	<u>220,841,173</u>	<u>220,141,173</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.

- 1(d)(v) A statement showing all sales, transfers, disposal, cancellation and/or use of subsidiary holdings 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 2018 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 2018

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 Singapore Financial Reporting Standards (International) ("SFRS(I)s") 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 2018 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 2018;
- the consolidated statement of comprehensive income of the Group for year ended 31 December 2018;
- the statements of financial position of the Group and of the Company as at 31 December 2018;
- 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 2018. 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>Ownership and valuation of strategic investments (Note 9 of the financial statements)</p> <p>As at 31 December 2018, the Group's strategic investments, classified as financial assets carried at fair value through other comprehensive income ("FVOCI"), amounted to \$2,343 million, representing 77% and 80% of the Group's total assets and net assets respectively. These strategic investments comprise primarily quoted equity investments.</p> <p>A material misstatement in the strategic investments 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 confirmations from custodians and The Central Depository Pte Ltd to verify the quantity of each investment held by the Group.</p> <p>For 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 investments with no readily available quoted price at year-end, we reviewed management's basis and assumptions in determining the fair value for reasonableness.</p> <p>Based on the procedures performed, we found the Group's recognition of the strategic investments and determination of fair values to be appropriate.</p>

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

for the financial year ended 31 December 2018 (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 SFRS(I)s, 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 2018 (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 Yeoh Oon Jin.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
27 February 2019

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 2017, 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 2018, the Group adopted a new financial reporting framework, Singapore Financial Reporting Standards (International) ("SFRS(I)s"). In adopting SFRS(I)s, the Group is required to apply all of the specific transition requirements in SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)*. The Group's opening balance sheet as at 1 January 2017 has been prepared under SFRS(I)s, which is the Group's date of transition to SFRS(I)s.

Application of SFRS(I) 1

(i) Cumulative translation differences

The Group has elected for the optional exemption to reset its cumulative translation differences for all foreign operations to nil at the date of transition on 1 January 2017. As a result, foreign currency translation reserve losses of \$15,151,000 were reclassified to retained profits as at 1 January 2017.

(ii) Change in measurement basis for Investment Properties

As permitted with the adoption of the new accounting framework SFRS(I)s, the Group has elected to change its accounting policy of carrying its investment properties at fair value to cost less accumulated depreciation and accumulated impairment losses. As a result, retained profits as at 1 January 2017 and 31 December 2017 decreased by \$150,605,000 and \$153,648,000 respectively. Profit or loss and currency translation differences on consolidation of foreign entities for the financial year ended 31 December 2017 reduced by \$3,043,000 and \$506,000 respectively.

On adoption of SFRS(I), the Group has elected to present its statement of financial position based on liquidity instead of a current and non-current classification, as around 80% of the Group's net assets are made up of investments that have no defined operating cycle. Accordingly, management believes that the presentation of the statement of financial position based on liquidity provides more useful and relevant information to shareholders.

In addition, in the consolidated statement of cash flows for the financial year ended 31 December 2017, dividend income received of \$34,591,000 and interest income received of \$3,550,000 have been reclassified from cash flows from operating activities to cash flows from investing activities to better reflect the nature of these income.

On 1 January 2018, the Group also adopted SFRS(I)s, and amendments and interpretations of SFRS(I)s that are mandatory for application for the financial year, including SFRS(I) 15 *Revenue from contract with customers*. The adoption 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.

	Group	
	Year Ended 31 December	
	2018	2017
Earnings per ordinary share:		(Restated)
(a) Based on the weighted average number of ordinary shares on issue	81.2 cts	55.7 cts
(b) On a fully diluted basis	81.1 cts	55.6 cts

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

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

	Group		Company	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Net asset value per ordinary share (\$)	13.26	13.98 (Restated)	4.52	4.44

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 6.8% from \$222.8m to \$237.8m as a result of better performance at Healthcare. Cost of sales increased 10.9% to \$92.1m due mainly to higher cost of raw materials. Consequently, gross margin was reduced from 63% to 61%.

Revenue from Healthcare increased 7.6% to \$216.9m and profit increased 12.6% to \$77.3m. Growth in sales was mainly driven by higher sales volume in key markets. Profit improved due to lower marketing expenses for certain markets and products that have reached some critical mass, offsetting higher cost of raw materials.

Revenue from Property and Leisure decreased 1.1% due mainly to lower occupancy on Property, partially offset by increase in revenue at Underwater World Pattaya from increase in visitorship. Profit from Property and Leisure decreased 2.8% due mainly to lower rental revenue.

Other income increased 64.6% to \$108.0m due to increase in dividend income from the Group's strategic investments and higher interest income.

General and administrative expenses decreased 17.7% to \$13.0m due mainly to favourable exchange gains in 2018 compared to exchange losses in 2017.

Finance expenses reduced 37.9% to \$0.2m due to partial repayment of loan during the year.

Earnings increased 46.2% to \$179.1m due mainly to higher profit from operations and investment income.

Statements of financial position

Cash and cash equivalents increased 29.6% to \$519.6m due to cash generated from operations, higher dividends received and disposal of certain investments, partially offset by higher dividend paid to shareholders of the Company and repayment of borrowings.

Trade and other receivables increased 26.4% to \$40.9m due to higher sales at Healthcare.

Inventories increased 42.9% to \$24.5m due to higher cost of raw materials and increase in demand for Healthcare products.

Trade and other payables increased 12.2% to \$65.8m in line with the increase in inventory.

Borrowings decreased 48.4% to \$23.3m due mainly to partial repayment of loan.

Strategic investments decreased 13.6% to \$2.3b due mainly to lower market valuations as at 31 December 2018. Disposal of certain investments yielded a \$23.3m gain that was recognised directly to retained profits.

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.**

Healthcare's operating margin may be affected if commodity prices remain high.

Geo-political tension and economic uncertainties will contribute to equity market volatility and affect valuation of the Group's strategic 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	2018			2017	
	Second & Final (Proposed)	Special (Proposed)	First & Interim	Second & Final	First & Interim
Dividend Type	Cash	Cash	Cash	Cash	Cash
Dividend amount per share	15 cents per ordinary share tax-exempt (one-tier)	85 cents per ordinary share tax-exempt (one-tier)	15 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)	Tax-Exempt (one-tier)

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

First & Interim Dividend - 7 September 2018

Second & Final Dividend

and Special Dividend - 15 May 2019

(Subject to shareholders' approval for the payment of the proposed Second & Final Dividend and Special 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 6 May 2019, 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 6 May 2019 will be registered to determine shareholders' entitlement to the proposed Second & Final Dividend and Special Dividend. Shareholders whose securities accounts with The Central Depository (Pte) Limited are credited with Shares as at 5.00 p.m. on 6 May 2019 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 ⁵ S\$'000	Consolidated S\$'000
(a) Business segments				
2018				
Total segment revenue	216,941	-	21,701	238,642
Inter-segment revenue	-	-	(828)	(828)
Revenue from external parties	216,941	-	20,873	237,814
Dividend income	-	97,795	-	97,795
Interest income	-	7,343	-	7,343
Miscellaneous income	1,694	296	839	2,829
Total other income	1,694	105,434	839	107,967
Total revenue and other income	218,635	105,434	21,712	345,781
Depreciation	3,127	112	3,071	6,310
Segment profit	77,252	105,741	12,322	195,315
Finance expense	-	(233)	-	(233)
Unallocated expenses				(4,093)
Share of profit of associated company	-	1,290	-	1,290
Profit before taxation				192,279
Taxation				(13,211)
Earnings for the financial year				179,068
Segment assets	155,773	2,809,670	62,927	3,028,370
Deferred income tax assets				2,082
Total assets per statement of financial position				3,030,452
Expenditures for segment non-current assets				
- Additions to property, plant and equipment	2,418	52	121	2,591
- Investment properties improvements	-	-	316	316
	2,418	52	437	2,907
Segment liabilities	53,025	29,545	6,469	89,039
Current income tax liabilities				12,655
Deferred income tax liabilities				725
Total liabilities per statement of financial position				102,419

⁵ Included in "Others" are property and leisure divisions which constitute less than 25% of the Group's revenue.

Segmental Reporting (cont'd)

	Healthcare products S\$'000	Investments S\$'000	Others⁵ S\$'000	Consolidated S\$'000
2017¹ (Restated)				
Total segment revenue	201,662	-	21,897	223,559
Inter-segment revenue	-	-	(796)	(796)
Revenue from external parties	201,662	-	21,101	222,763
Dividend income	-	59,775	-	59,775
Interest income	-	3,723	-	3,723
Miscellaneous income	241	310	1,536	2,087
Total other income	241	63,808	1,536	65,585
Total revenue and other income	201,903	63,808	22,637	288,348
Depreciation	2,768	79	3,064	5,911
Segment profit	68,579	60,592	12,674	141,845
Finance expense	-	(375)	-	(375)
Unallocated expenses				(4,565)
Share of profit of associated company	-	937	-	937
Profit before taxation				137,842
Taxation				(15,382)
Earnings for the financial year				122,460
Segment assets	107,745	3,090,792	65,684	3,264,221
Deferred income tax assets				740
Total assets per statement of financial position				3,264,961
Expenditures for segment non-current assets				
- Additions to property, plant and equipment	8,196	508	93	8,797
- Investment properties improvements	-	-	65	65
	8,196	508	158	8,862
Segment liabilities	44,835	51,558	7,288	103,681
Current income tax liabilities				11,265
Deferred income tax liabilities				71,722
Total liabilities per statement of financial position				186,668

15. Segmental Reporting (cont'd)

	Singapore S\$'000	Other ASEAN countries S\$'000	Other Asian countries S\$'000	Other countries S\$'000	Consolidated S\$'000
(b) Geographical segments					
2018					
Revenue ⁽ⁱ⁾	31,815	89,855	73,009	43,135	237,814
Non-current assets ⁽ⁱⁱ⁾	72,078	16,854	11,476	-	100,408
2017¹ (Restated)					
Revenue ⁽ⁱ⁾	32,439	70,640	80,468	39,216	222,763
Non-current assets ⁽ⁱⁱ⁾	73,102	17,707	12,484	-	103,293

⁽ⁱ⁾ Revenues are attributable to countries in which the income is derived.

⁽ⁱⁱ⁾ 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 when it exceeds 20% of the Group's revenue and other income or non-current assets respectively.

(c) Major customers

Revenues of approximately \$122,772,000 (2017: \$101,232,000) were contributed from two groups of external customers (2017: two groups). These revenues are attributable to the sale of Healthcare products in Asia to distributors belonging to the same group of companies.

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		
		2018 S\$'000	2017 ¹ S\$'000 (Restated)	% increase / (decrease) %
(a)	Sales reported for first half year	124,142	121,376	2.3
(b)	Operating profit after tax reported for first half year	101,399	67,979	49.2
(c)	Sales reported for second half year	113,672	101,387	12.1
(d)	Operating profit after tax reported for second half year	77,669	54,481	42.6

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

	2018	2017
	S\$'000	S\$'000
(a) Ordinary	55,180	43,993
(b) Preference	-	-
(c) Total	55,180	43,993

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	58	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 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 2018.
Kelvin Whang Sung Tze	58	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 2018.

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

Zann Lim Seok Bin
Company Secretary
27 February 2019