



虎豹 **Haw par**

HAW PAR CORPORATION LIMITED
ANNUAL REPORT 2022

CONTENTS

OVERVIEW

- 01** Corporate Profile
- 02** Chairman's Statement
- 06** Board of Directors
- 11** Corporate Information
- 12** Key & Senior Executives

YEAR IN REVIEW

- 13** Group Financial Highlights
- 15** Financial Calendar
- 16** Operations Review
- 26** People & The Community
- 30** Five-Year Financial Summary
- 31** Share Price & Trading Volume
- 32** Financial Review

GOVERNANCE

- 34** Corporate Governance Report

FINANCIAL REPORT

- 56** Directors' Statement & Financial Statements

INVESTOR REFERENCE

- 114** Group Offices
- 115** Major Products & Services
- 116** Statistics of Shareholdings
- 118** Notice of Annual General Meeting
- 123** Additional Information on Directors seeking Re-Election Proxy Form

CORPORATE PROFILE

“ Haw Par Corporation Limited, a Singapore-grown multinational Group, is listed on the Singapore Exchange since 1969.

The Haw Par Group is an enterprise with a strong consumer healthcare business that promotes healthy lifestyles through its healthcare products. ”

Haw Par Corporation Limited, a Singapore-grown multinational Group, is listed on the Singapore Exchange since 1969. Over the decades, the Group has been disciplined in asset rationalisation, organically growing its core businesses, and making selected acquisitions.

Today, the Haw Par Group is an enterprise with a strong consumer healthcare business that promotes healthy lifestyles through its healthcare products. The largest contributor to the healthcare business comes from a brand that it owns – Tiger Balm. With a wide range of products available in over 100 countries, Tiger Balm is arguably the world's leading and most versatile topical analgesic brand. Besides the consumer healthcare business, the Group also engages in the leisure business and holds significant investments in securities and properties.

Leveraging on its financial strength and global business network, the Group is well placed in its strategic direction to further expand its portfolio of operating businesses and drive growth through alliances with multinational partners and acquisitions of complementary brands and compelling business platforms.

CHAIRMAN'S STATEMENT



REVENUE

\$182
Million

EARNINGS

\$148
Million

“ **With economic and social activities resuming more broadly, the Group saw steady improvements in its performance in 2022 as the pick-up in consumer spending and recovery of tourism benefitted our Healthcare and Leisure businesses.** ”

During the year, the world welcomed the gradual lifting of pandemic-related restrictions and nearly all international borders reopened. With economic and social activities resuming more broadly, the Group saw steady improvements in its performance in 2022 as the pick-up in consumer spending and recovery of tourism benefitted our Healthcare and Leisure businesses.

Group revenue improved by 29% to \$182 million, driven by Healthcare. Earnings increased by 35% to \$148 million as profit from Healthcare improved by 89% to \$40 million and investment and interest income increased by 29%. Our Leisure business turned around with an operating profit as Thailand opened its borders to international tourists in 2022. However, revenue and operating profit from Property decreased due to lower average occupancy arising from turnover in tenancies.

HIGHLIGHTS OF OPERATIONS

Demand for Tiger Balm products recovered further in 2022 and sales to some European and Middle East markets surpassed pre-pandemic levels. The Group observed encouraging improvement in sales to certain Asian markets, but the region as a whole was still some way from returning to the levels seen prior to the crisis. Healthcare's margins also improved against last year as production capacity utilisation improved. However, cost pressures remained heightened in the inflationary environment with higher labour costs and overheads.

Our new healthcare manufacturing facility in Johor, Malaysia secured its Certificate of Completion and Compliance in January 2023. Commencement of production is contingent upon obtaining regulatory approvals and certifications. This manufacturing facility will reinforce our operational resilience and agility.

Underwater World Pattaya greeted the gradual return of international visitors when the local Thai Government lifted most of its Covid border measures in 2022. The attraction weathered the business downturn and was well-positioned to receive returning tourists having made use of the closure periods in 2021 to boost the attraction's offerings. The recovery of visitor numbers in 2022 was promising.

Overall average occupancy of the Group's property portfolio slipped, resulting in slightly lower revenue and operating profit as hybrid working arrangements led to downsizing of office space requirement.

DIVIDEND

The Board is recommending a final dividend of 15 cents per share. Together with the interim dividend of 15 cents paid in September, the total dividend per share for the financial year ended 31 December 2022 is 30 cents per share, maintaining the same total dividend per share as pre-pandemic.

BUSINESS OUTLOOK AND STRATEGY

In 2023, global economies will continue to face multiple macroeconomic headwinds, including geopolitical tensions, inflationary issues and deglobalisation trends that impact trade. We will have to navigate an increasingly complex business environment with dexterity, while leveraging on our strengths.

Our flagship brand – Tiger Balm has been delivering health and wellbeing for over a hundred years and offers one of the most versatile ranges of topical analgesics from the classic ointment to plasters, creams, sprays and gels that supports the pandemic-induced rise in health consciousness. Our investment in the brand over the decades has built a fan base that crosses generations and continents and extends to the social realm.

We will stay focused on efforts to enlarge the consumer base of Tiger Balm and deepen market penetration by expanding our distribution network and building stronger connections with consumers to further strengthen brand differentiation. Further revival of global travel may stimulate economic activities around the region. To ride on this momentum, we will intensify marketing efforts in key Asian markets. As the world emerges from the pandemic, it is an opportune time for us to expand our product range in selected markets to meet evolving lifestyle needs.

The recovery of Thailand's tourism industry is expected to be sustained through 2023. Underwater World Pattaya will continue to enhance visitor experience through renewing its product offerings and focus on attracting tourists from emerging markets. We will stay vigilant as global uncertainties such as public health crises are an ever-present threat to the industry.

Our commercial and industrial properties in Singapore and Malaysia, situated at prime locations in one of the fastest-growing regions of the world, may benefit from the uptick in economic activities. We will step up our efforts to seek out quality tenant prospects and raise the occupancy of our office buildings.

Amid the uncertainty and challenges prevailing in the current environment, our strong balance sheet and liquidity hopefully give us an added advantage to move swiftly to capture opportunities in the market.

We will maintain a prudent approach to manage manufacturing and operating costs, especially in light of higher energy costs and inflation. I am confident our disciplined risk and cost management will stand us in good stead through the economic headwinds.

ACKNOWLEDGEMENT

I would like to express my gratitude to my fellow board members for their wise counsel and insights in these most challenging circumstances.

On behalf of the Board, I would also like to thank our valued customers, business associates and shareholders for their continuing support, and our management and staff for their commitment and dedication as we continue to forge ahead to recover and surpass pre-pandemic performance.

WEE CHO YAW

Chairman
February 2023

主席致辞



营业额

1亿8200
万元

税后盈利

1亿4800
万元

“

随着经济和社会活动更广泛地恢复, 消费者支出的回升和旅游业的复苏让我们的保健和休闲业务受益, 从而集团在2022年的业绩稳步增长。

”

在这一年里, 世界各国迎来了与疫情相关限制的逐步解除, 几乎所有的国际边界都重新开放。随着经济和社会活动更广泛地恢复, 消费者支出的回升和旅游业的复苏让我们的保健和休闲业务受益, 从而集团在2022年的业绩稳步增长。

在保健业务的推动下, 集团营业额增长29%至1亿8200万元。集团税后盈利增加了35%至1亿4800万元。这归功于保健业务盈利上升89%至4000万元, 及投资和利息收入增长29%。我们的休闲业务也随着泰国在2022年向国际游客开放边境后, 扭亏为盈, 取得了营业利润。然而, 由于物业租户的流动导致平均出租率下降, 物业业务的租金收入和营业利润有所下滑。

营运重点摘要

虎标产品的需求在2022年进一步回升, 一些欧洲和中东市场的销售额超过了疫情之前的水平。集团观察到某些亚洲市场的销售表现有令人鼓舞的改善, 但整体区域表现离恢复到疫情前的水平仍有一段距离。随着产能利用率的提高, 保健业务的利润率也比去年有所增加。然而, 在通货膨胀的环境下, 劳动力成本和其他费用的上升, 使运营成本压力仍然居高。

我们在马来西亚柔佛州的新保健产品制造设施在2023年1月获得了竣工与合规证书。投产前还必须取得有关监管机构的批准和认证。该生产设施将加强我们的运营韧性和灵活性。

泰国当地政府在2022年解除了大部分的疫情边境措施后, 芭堤雅海底世界随之迎接了国际游客的逐渐回归。该景点经受住了商业低迷的考验, 并已利用2021年关闭期间提升景点的吸引力为接待回归的游客做好准备。2022年访客数量的恢复令人充满期待。

由于灵活工作安排导致办公空间需求缩减, 致使集团物业组合的整体平均出租率下滑, 租金收入和营业利润略有下降。

股息

董事局建议派发年终股息每股15分。连同去年9月份派发的中期股息15分, 截至2022年12月31日财年的每股总计股息为30分, 维持与疫情前相同的每股总计股息。

业务展望及策略

2023年, 全球经济将继续面临多种宏观经济阻力, 包括地缘政治紧张局势、通货膨胀问题和影响贸易的去全球化趋势。我们必须发挥我们的优势, 灵活地驾驭日益复杂的商业环境。

我们的旗舰品牌 – 虎标万金油一百多年来一直致力于促进公众的健康和福祉, 并通过提供全面的外用镇痛产品系列, 从经典的药膏到药贴、乳膏、喷雾剂和凝胶, 支持因疫情而提高的健康意识。我们对该品牌数十年来的投资已建立了一个跨世代、达各大洲, 并延伸至社交媒体空间的粉丝群。

我们将继续专注于扩大虎标的消费群体, 通过扩展分销网络来深化市场渗透, 并与消费者建立更紧密的联系, 以进一步加强品牌独特性。全球旅游的进一步复苏可能会刺激这个区域的经济活动。为了乘势而上, 我们将加强在主要亚洲市场的营销力度。随着世界从疫情中恢复, 我们应把握这一个好时机, 在选定的市场扩大我们的产品组合, 以满足不断变化的生活方式需求。

泰国旅游业预计2023年将持续复苏。芭堤雅海底世界将继续通过更新其展览内容和项目来提高访客体验并专注于吸引新兴市场的游客。我们将继续保持警惕, 因为公共卫生危机等全球不确定性因素是旅游业持续存在的威胁。

我们在新加坡和马来西亚的商业和工业物业, 位处全球增长最快区域之一的黄金地段, 可从经济活动的回升中受益。我们将加紧努力, 寻求优质的租户并提高我们办公楼的出租率。

在当前充满不确定性和挑战的环境中, 我们稳健的资产负债表和流动资金有望给我们带来额外的优势, 使我们能够迅速采取行动, 掌握新商机。

我们将维持审慎的态度管理生产和运营成本, 尤其是在现时更高的能源成本及通胀环境下。我相信我们严谨的风险和成本管理将使我们在经济逆境中保持良好的状态。

致谢

我要感谢董事同仁在这段极具挑战的时期提供的真知灼见。

我也谨此代表董事局感谢我们的客户、商业伙伴和股东的不懈支持, 亦感谢我们的管理层和员工对公司的忠诚和奉献。让我们继续砥砺前行, 争取恢复并超越疫情前的表现。

黄祖耀

主席

2023年2月

BOARD OF DIRECTORS



WEE CHO YAW

CHAIRMAN

NON-EXECUTIVE AND NON-INDEPENDENT

FIRST APPOINTED AS A DIRECTOR: 31 OCTOBER 1975

LAST RE-APPOINTED AS A DIRECTOR: 27 APRIL 2022

Dr Wee Cho Yaw, 94, was appointed Chairman of the Company since 1978.

A distinguished banker with more than 60 years' experience, Dr Wee is a veteran in the banking, insurance, real estate and hospitality industries. He was conferred numerous awards and accolades at the national and regional level for his business achievements and support of education, community welfare and the business community.

BOARD COMMITTEE(S) SERVED ON:

- Investment Committee (Chairman)
- Remuneration Committee (Member)
- Nominating Committee (Member)

PRESENT DIRECTORSHIPS IN OTHER LISTED COMPANIES (AS AT 31 DECEMBER 2022):

- United Overseas Insurance Limited (Chairman)
- UOL Group Limited (Chairman)
- Singapore Land Group Limited (Chairman)

OTHER MAJOR APPOINTMENTS/PRINCIPAL COMMITMENTS:

- United Overseas Bank Limited (Chairman Emeritus and Honorary Adviser)
- Pan Pacific Hotels Group Limited (Chairman)
- Marina Centre Holdings Private Limited (Chairman)
- Nanyang Technological University (Pro-chancellor)
- Singapore Federation of Chinese Clan Associations (Honorary President)
- Singapore Hokkien Huay Kuan (Honorary President)
- Singapore Chinese Chamber of Commerce & Industry (Honorary President)
- Wee Foundation (Chairman)
- Chung Cheng High School (Chairman)

PAST DIRECTORSHIPS IN LISTED COMPANIES AND PRINCIPAL COMMITMENTS HELD OVER THE PRECEDING FIVE YEARS (1 JANUARY 2018 TO 31 DECEMBER 2022):

- Far Eastern Bank Limited (till May 2018)
- United Overseas Bank Limited (till April 2018)

PROFESSIONAL QUALIFICATIONS & ACHIEVEMENTS:

- Chinese high school education
- ASEAN Business Advisory Council Legacy Award for Singapore (2017)
- Honorary Doctor of Letters, Nanyang Technological University (2014)
- The Distinguished Service Order, Singapore National Day Award (2011)
- The Asian Banker Lifetime Achievement Award (2009)
- Honorary Doctor of Letters, National University of Singapore (2008)
- Credit Suisse-Ernst & Young Lifetime Achievement Award (2006)
- Businessman of the Year, Singapore Business Awards (2001 and 1990)

BOARD OF DIRECTORS



WEE EE-CHAO

DEPUTY CHAIRMAN
NON-EXECUTIVE AND NON-INDEPENDENT
FIRST APPOINTED AS A DIRECTOR: 8 JULY 2003
LAST RE-ELECTED AS A DIRECTOR: 10 JUNE 2020

Mr Wee Ee-chao, 68, is the Deputy Chairman of the Company.

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

BOARD COMMITTEE(S) SERVED ON:
Nil

PRESENT DIRECTORSHIPS IN OTHER LISTED COMPANIES (AS AT 31 DECEMBER 2022):

- UOB-Kay Hian Holdings Limited (Chairman and Managing Director)
- UOL Group Limited (Director)

OTHER MAJOR APPOINTMENTS/PRINCIPAL COMMITMENTS:

- Kheng Leong Company (Private) Limited (Director)
- Wee Foundation (Director)

PAST DIRECTORSHIPS IN LISTED COMPANIES AND PRINCIPAL COMMITMENTS HELD OVER THE PRECEDING FIVE YEARS (1 JANUARY 2018 TO 31 DECEMBER 2022):
Nil

PROFESSIONAL QUALIFICATIONS:

- Bachelor of Business Administration degree from The American University, Washington DC, USA



WEE EE LIM

PRESIDENT & CHIEF EXECUTIVE OFFICER
EXECUTIVE AND NON-INDEPENDENT DIRECTOR
FIRST APPOINTED AS A DIRECTOR: 23 MARCH 1994
LAST RE-ELECTED AS A DIRECTOR: 23 APRIL 2021

Mr Wee Ee Lim, 61, is the President & Chief Executive Officer of Haw Par Corporation Limited.

Mr Wee joined the Company in 1986 and was appointed to the Board in 1994 and to his current role of President & Chief Executive Officer in 2003. Mr Wee has been closely involved in the management and growth of the Haw Par Group for more than 30 years.

BOARD COMMITTEE(S) SERVED ON:

- Investment Committee (Member)

PRESENT DIRECTORSHIPS IN OTHER LISTED COMPANIES (AS AT 31 DECEMBER 2022):

- UOL Group Limited (Deputy Chairman)
- Singapore Land Group Limited (Director)
- United Overseas Bank Limited (Director)

OTHER MAJOR APPOINTMENTS/PRINCIPAL COMMITMENTS:

- Wee Foundation (Director)

PAST DIRECTORSHIPS IN LISTED COMPANIES AND PRINCIPAL COMMITMENTS HELD OVER THE PRECEDING FIVE YEARS (1 JANUARY 2018 TO 31 DECEMBER 2022):
Nil

PROFESSIONAL QUALIFICATIONS:

- Bachelor of Arts (Economics) degree from Clark University, USA



GN HIANG MENG

NON-EXECUTIVE AND INDEPENDENT DIRECTOR
FIRST APPOINTED AS A DIRECTOR: 13 AUGUST 2014
LAST RE-ELECTED AS A DIRECTOR: 10 JUNE 2020

Mr Gn Hiang Meng, 74, is a Non-Executive and Independent Director of the Company. Mr Gn has more than 30 years of investment banking and hospitality industry experience. He was a senior banker with the United Overseas Bank Group for 28 years and was the Deputy President of UOL Group prior to his retirement in 2007.

BOARD COMMITTEE(S) SERVED ON:

- Audit and Risk Committee (Member)
- Nominating Committee (Chairman)
- Remuneration Committee (Chairman)

PRESENT DIRECTORSHIPS IN OTHER LISTED COMPANIES (AS AT 31 DECEMBER 2022):

- Centurion Corporation Limited (Non-Executive and Independent Director)

OTHER MAJOR APPOINTMENTS/PRINCIPAL COMMITMENTS:

Nil

PAST DIRECTORSHIPS IN LISTED COMPANIES AND PRINCIPAL COMMITMENTS HELD OVER THE PRECEDING FIVE YEARS (1 JANUARY 2018 TO 31 DECEMBER 2022):

- TEE International Limited (Non-Executive and Independent Director) (till January 2021)
- Koh Brothers Group Limited (Non-Executive and Independent Director) (till December 2021)
- SingHaiyi Group Limited (Non-Executive and Independent Director) (till January 2022)

PROFESSIONAL QUALIFICATIONS:

- Bachelor of Business Administration (Honours) degree from the National University of Singapore



CHEW CHOON SOO

NON-EXECUTIVE AND INDEPENDENT DIRECTOR
FIRST APPOINTED AS A DIRECTOR: 28 FEBRUARY 2019
LAST RE-ELECTED AS A DIRECTOR: 27 APRIL 2022

Mr Chew Choon Soo, 65, is a Non-Executive and Independent Director of the Company. He has more than 23 years of senior executive search experience and has served in various senior management and committee roles. He is currently engaged in human capital advisory, focusing mainly on the healthcare industry in China.

BOARD COMMITTEE(S) SERVED ON:

- Audit and Risk Committee (Member)
- Remuneration Committee (Member)
- Nominating Committee (Member)

PRESENT DIRECTORSHIPS IN OTHER LISTED COMPANIES (AS AT 31 DECEMBER 2022):

Nil

OTHER MAJOR APPOINTMENTS/PRINCIPAL COMMITMENTS:

Nil

PAST DIRECTORSHIPS IN LISTED COMPANIES AND PRINCIPAL COMMITMENTS HELD OVER THE PRECEDING FIVE YEARS (1 JANUARY 2018 TO 31 DECEMBER 2022):

- KS Energy Ltd (Non-Executive and Independent Director) (till October 2020)

PROFESSIONAL QUALIFICATIONS:

- BSc (Hons) in Economics and Accounting from Bristol University UK.
- MBA from Wharton School of the University of Pennsylvania.

BOARD OF DIRECTORS

**LOW WENG KEONG**

NON-EXECUTIVE AND INDEPENDENT DIRECTOR

FIRST APPOINTED AS A DIRECTOR: 19 JUNE 2020
LAST RE-ELECTED AS A DIRECTOR: 23 APRIL 2021

Mr Low Weng Keong, 70, is a Non-Executive and Independent Director of the Company. He was formerly the country managing partner of Ernst & Young, Singapore, and a past global chairman and president of CPA Australia.

BOARD COMMITTEE(S) SERVED ON:

- Audit and Risk Committee (Chairman)

PRESENT DIRECTORSHIPS IN OTHER LISTED COMPANIES (AS AT 31 DECEMBER 2022):
Nil

OTHER MAJOR APPOINTMENTS/PRINCIPAL COMMITMENTS:

- Singapore Institute of Accredited Tax Professionals (Chairman)

PAST DIRECTORSHIPS IN LISTED COMPANIES AND PRINCIPAL COMMITMENTS HELD OVER THE PRECEDING FIVE YEARS (1 JANUARY 2018 TO 31 DECEMBER 2022):

- Riverstone Holdings Limited (Independent and Non-Executive Director)(till January 2022)
- UOL Group Limited (Independent and Non-Executive Director)(till January 2022)
- iX Biopharma Limited (Independent and Non-Executive Director)(till October 2022)

PROFESSIONAL QUALIFICATIONS:

- Fellow and Life member of CPA Australia
- Fellow of the Institute of Chartered Accountants in England & Wales
- Fellow of the Institute of Singapore Chartered Accountants
- Associate of the Chartered Institute of Taxation (United Kingdom)
- Accredited Tax Advisor of the Singapore Institute of Accredited Tax Professionals

ONG SIM HO

NON-EXECUTIVE AND INDEPENDENT DIRECTOR

FIRST APPOINTED AS A DIRECTOR: 10 NOVEMBER 2021
LAST RE-ELECTED AS A DIRECTOR: 27 APRIL 2022

Mr Ong Sim Ho, 54, is a Non-Executive and Independent Director of the Company. He is presently the Managing Director and Head of Corporate and Finance Department of Drew & Napier LLC.

Amongst his several board memberships, Mr Ong is a director of AIA Singapore Private Limited and Independent Director of Bukit Sembawang Estates Limited.

BOARD COMMITTEE(S) SERVED ON:
Nil

PRESENT DIRECTORSHIPS IN OTHER LISTED COMPANIES (AS AT 31 DECEMBER 2022):

- Bukit Sembawang Estates Limited (Independent Director, Chairman of Audit & Risk Committee)

OTHER MAJOR APPOINTMENTS/PRINCIPAL COMMITMENTS:

- Drew & Napier LLC (Managing Director and Head of Corporate and Finance Department)

PAST DIRECTORSHIPS IN LISTED COMPANIES AND PRINCIPAL COMMITMENTS HELD OVER THE PRECEDING FIVE YEARS (1 JANUARY 2018 TO 31 DECEMBER 2022):

- Tokio Marine Life Insurance Singapore Ltd (Board Chairman)
- Tokio Marine Insurance Singapore Ltd (Independent Director)
- The Place Holdings Limited (Lead Independent Director & Chairman of Audit Committee)
- Centre for Fathering Limited (Non-Executive Director)
- Sunningdale Tech Ltd (Independent Director & Chairman of Nominating Committee)

PROFESSIONAL QUALIFICATIONS:

- Barrister-at-law of England and Wales, called by Lincoln's Inn
- Advocate and Solicitor of the Supreme Court of Singapore
- Fellow Chartered Accountant in Singapore
- Member of the Singapore Institute of Directors

CORPORATE INFORMATION

DIRECTORS

Wee Cho Yaw
Chairman (Non-Executive)

Wee Ee-chao
Deputy Chairman (Non-Executive)

Wee Ee Lim
President & Chief Executive Officer

Gn Hiang Meng
Independent Director

Chew Choon Soo
Independent Director

Low Weng Keong
Independent Director

Ong Sim Ho
Independent Director

AUDIT AND RISK COMMITTEE

Low Weng Keong
Chairman
Gn Hiang Meng
Chew Choon Soo

INVESTMENT COMMITTEE

Wee Cho Yaw
Chairman
Wee Ee Lim
Paul Chow
Brian Loo

NOMINATING COMMITTEE

Gn Hiang Meng
Chairman
Wee Cho Yaw
Chew Choon Soo

REMUNERATION COMMITTEE

Gn Hiang Meng
Chairman
Wee Cho Yaw
Chew Choon Soo

COMPANY SECRETARY

Chiew Kun Long, Alvin

AUDITORS

PRICEWATERHOUSECOOPERS LLP
Choo Eng Beng
Audit Partner-in-charge
Year of Appointment: 2021

REGISTRAR

BOARDROOM CORPORATE & ADVISORY SERVICES PTE LTD
1 Harbourfront Avenue
Keppel Bay Tower
#14-03/07
Singapore 098632
Tel : 6536 5355
Fax : 6536 1360

REGISTERED OFFICE

401 Commonwealth Drive
#03-03 Haw Par Technocentre
Singapore 149598
Tel : 6337 9102
Fax : 6336 9232
Website : www.hawpar.com
Reg. No : 196900437M

INVESTOR RELATIONS

Email: InvestorRelations@hawpar.com

KEY & SENIOR EXECUTIVES

PAUL CHOW

Chief Financial Officer

Joined the Group in 2000 as Senior Investment Officer and promoted to Group Financial Controller in 2019. Promoted to present position in 2022.

Holds a Degree in Business Administration from National University of Singapore. A CFA charter holder.

BRIAN LOO

Group General Manager

Joined the Group in 2021 as Group General Manager.

Holds a Bachelor of Engineering (First Class Honours) from National University of Singapore and a Master of Science (Applied Finance) from Singapore Management University.

ALVIN CHIEW

Company Secretary & Group Finance Manager

Joined the Group in 2014 as Group Finance Manager and was appointed to present position in 2022.

Holds a Bachelor of Accountancy (Honours) with a second specialisation in Business Law from Nanyang Technological University. A Chartered Accountant of Australia and New Zealand and Chartered Accountant of Singapore.

LILY SU

Group Internal Audit Manager

Joined the Group in 2012 as Assistant Internal Audit Manager. Promoted to present position in 2022.

Holds a Bachelor of Commerce from the University of Melbourne. A Certified Practising Accountant with CPA Australia and a Certified Internal Auditor.

FIONA HON

Human Resource Director

Joined the Group in 2022 as Human Resource Director.

Holds a Master in Global Human Resource Management from Roehampton University and Global Remuneration Professional (GRP) from WorldatWork.

JASMIN HONG

General Manager (Marketing), Healthcare

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

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

KEETH CHUA

General Manager (Marketing), Healthcare

Joined Haw Par Healthcare in 2011 as Deputy General Manager (Marketing). Promoted to present position in 2019.

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

GOH BEE LEONG

General Manager (Manufacturing), Healthcare

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

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

KOW MUI LICK

Head (Quality & Regulatory Affairs), Healthcare

Joined Haw Par Healthcare in 1991 as QC/Laboratory Manager. Promoted to Senior Manager (QC & QA) in 2007 and appointed to Senior Manager (Quality & Regulatory Affairs) in 2011. Redesignated to present position in 2022.

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

NG WAH TONG

Deputy General Manager (Manufacturing), Healthcare

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

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

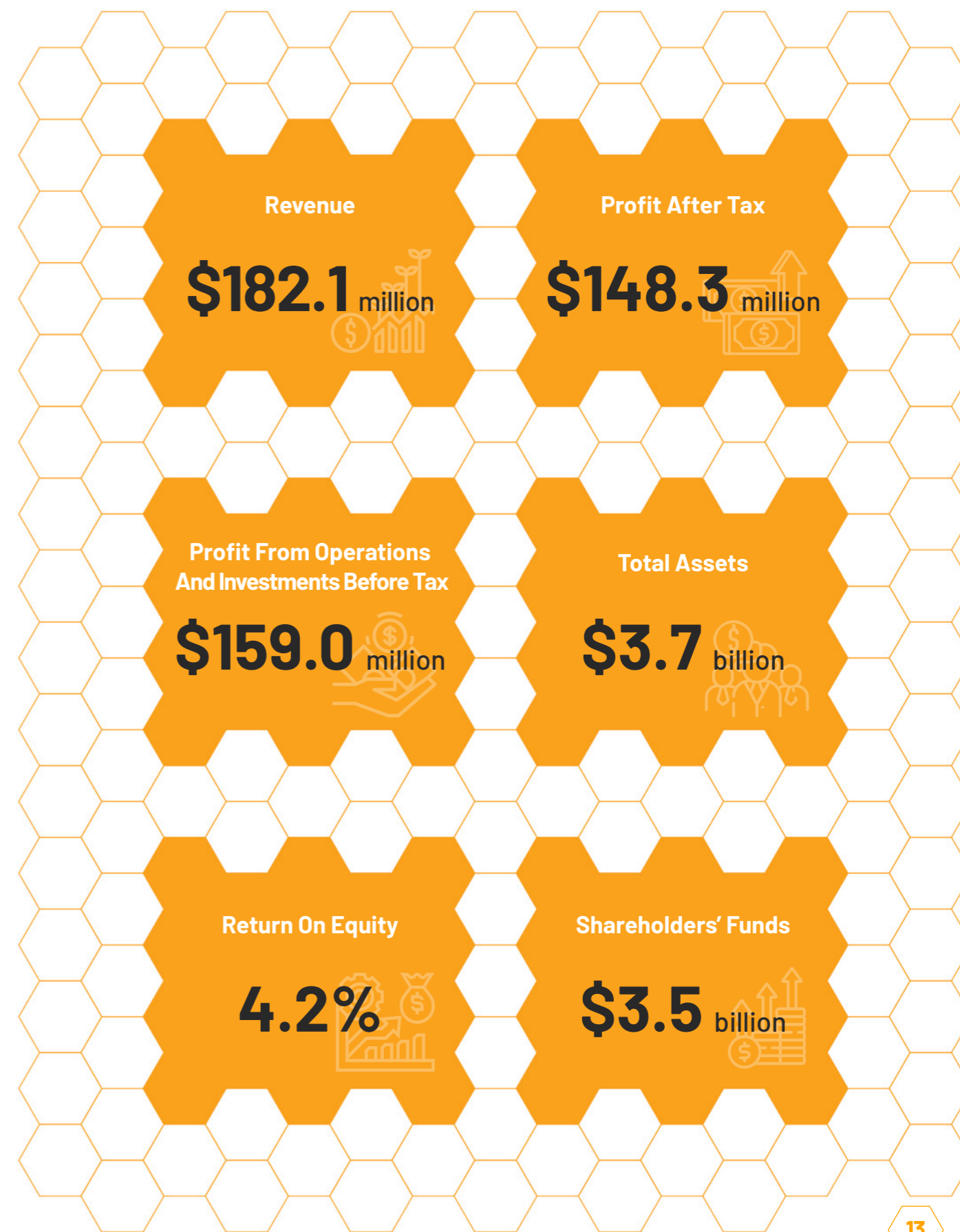
KELVIN WHANG

General Manager, Underwater World Pattaya

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

Attended college education at Dominion College, Ontario.

GROUP FINANCIAL HIGHLIGHTS



GROUP FINANCIAL HIGHLIGHTS

FINANCIAL HIGHLIGHTS

Group revenue for the year increased by 29% to \$182.1 million due mainly to improvement in consumer spending on Healthcare's products. Consequently, gross margin improved by 2 percentage points to 54% as utilisation of production capacity improved from 2021. Earnings for the financial year of \$148.3 million was 35% above 2021 from higher profit from operations and investment income.

Against last year, Healthcare recorded a 32% increase in revenue to \$164.1 million and 89% increase in operating profit, driven mainly by sales recovery in key Asian markets and lower marketing expenses incurred to drive sales.

Revenue from other segments which comprise of Leisure and Property divisions increased by 8% to \$18.0 million due mainly to improved performance at Underwater World Pattaya ("UWP"). Absence of local movement restrictions and reopening of Thai borders to international travellers have boosted visitor numbers. However, this was slightly offset by a decrease in revenue from Property division on the back of lower occupancy at the Group's properties. Total operating profit from Leisure and Property segments increased 16% to \$10.3 million due mainly to the rebound of tourism industry at UWP.

FINANCIAL POSITION

Shareholders' funds increased to \$3.5 billion (2021: \$3.2 billion) due mainly to higher market valuations of the Group's strategic and long term investments and profits from operations.

The Group ended the financial year with a lower cash balance of \$334.3 million (2021: \$596.2 million) due mainly to purchase of Singapore Government Treasury Bills and other long term investments, slightly offset by cash dividends received from strategic investments and profits from operating divisions.

DIVIDENDS

The Board of Directors are recommending a final dividend of 15 cents per share to be approved by shareholders at the coming Annual General Meeting. Together with the interim dividend of 15 cents paid in September 2022, the total dividend per share for the financial year ended 31 December 2022 is 30 cents per share.

FINANCIAL CALENDAR



10
AUGUST
2022

Announcement of 2022 half-yearly results



25
APRIL
2023

54th Annual General Meeting



2
SEPTEMBER
2022

Payment of 2022 First & Interim dividend



8
MAY
2023

Record date for proposed dividend entitlement



23
FEBRUARY
2023

Announcement of 2022 full-year audited results



24
MAY
2023

Payment of proposed 2022 Second & Final dividend



4
APRIL
2023

Announcement of Notice of Annual General Meeting



HEALTHCARE OPERATIONS REVIEW

ROAR BACK – SCALING UP ONLINE & OFFLINE TO SUPPORT THE POST-COVID CONSUMER

2022 was marked by an energy crisis exacerbated by the Russia-Ukraine war and post-pandemic supply shortages, leading to worldwide inflation that impacted businesses. Nevertheless, as the global consumer market transits towards living with Covid-19 and consumer activities return to normalcy, we saw sales recover across all continents, though still not at pre-pandemic levels.

With the removal of Covid-19 related restrictions in most parts of the world, our markets recorded significant recovery in domestic sales in tandem with the re-opening of the economy, particularly in Europe and the Middle East. Revenue growth for markets with strong domestic sales contribution surpassed even pre-pandemic levels. Hong Kong and China continued to underperform due to the strict Covid-zero policy and incessant lockdowns.

Growth was recorded across all product groups though sales in some markets were constrained to some degree by supply and logistical challenges. Operating margins were impacted by higher costs for labour, raw materials and freight, while depreciation of foreign currencies against the Singapore dollar (SGD) depressed our sales recorded in SGD.

With consumers returning to work-from-office mode and engaging in more outdoor activities, Tiger Balm resumed advertising and on-ground activations to reconnect with target audiences and promote our brand's top-of-mind recall.

As sports events scaled up after the Covid hiatus, our sponsorship for mass participation sporting events and festivals picked up speed. Tiger Balm was the official partner of numerous events including the Marathon du Beaujolais in France and the Music Run in Malaysia. The signature Tiger Balm Sports Massage tents and pop-up stores on site added to the Tiger Balm experience.

- 01 Music Run, Malaysia
- 02 Borås Swimrun, Sweden
- 03 World-Cup Inspired Advertisement at Airport Terminal, UAE
- 04 Zwintriathlon, Belgium
- 05 World-Cup Inspired Advertisement, Qatar & UAE
- 06 Year of the Tiger #TigerBalmTigerDance Challenge on Instagram, Singapore
- 07 Launch of Tiger Balm Fluid, France (also known as Tiger Balm Lotion)

Riding on the FIFA World Cup wave, we ran a World-Cup inspired Tiger Balm advertising campaign in Qatar and UAE to engage with tourists attending this international sports event.

As part of our strategy to broaden the Tiger Balm range of products for our consumers and expand our brand presence, we introduced the Tiger Balm Plaster to Saudi Arabia, and the Tiger Balm Lotion to the UK and France that built on the sales momentum achieved in Germany when Tiger Balm Lotion was launched pre-pandemic.

- 08 "Meet the Real Tiger" Collaboration with Radio City on Facebook, India
- 09 Decathlon, France (Lyon)
- 10 Tiger Balm Fanatics Giveaway Contest, US
- 11 Tiger Balm Store Display, Indonesia
- 12 Bangsaen42 Chonburi Marathon, Thailand
- 13 Tiger Balm Advertisement at Mass Transit Railway Station, Hong Kong, China

Both markets continued to outperform category growth due to on-point brand activations by our distributor partner, increased collaborations with key sports retailers such as Decathlon to achieve in-store dominance, and sports sponsorships.

Our Tiger Balm Mosquito Repellent range also performed well in Southeast Asian markets as children returned to outdoor activities and consumption of repellent products was propelled by demand for protection amid record-high numbers of dengue cases.

In consideration of the increasing usage of digital and social media and the potential to enhance our engagement with consumers online, we rolled out a Global Social Media Playbook to guide brand consistency and promote the Tiger Balm brand presence in the social and digital space.

Our social media strategies had significant impact and resonated particularly well in markets like the Philippines, Indonesia, Vietnam and

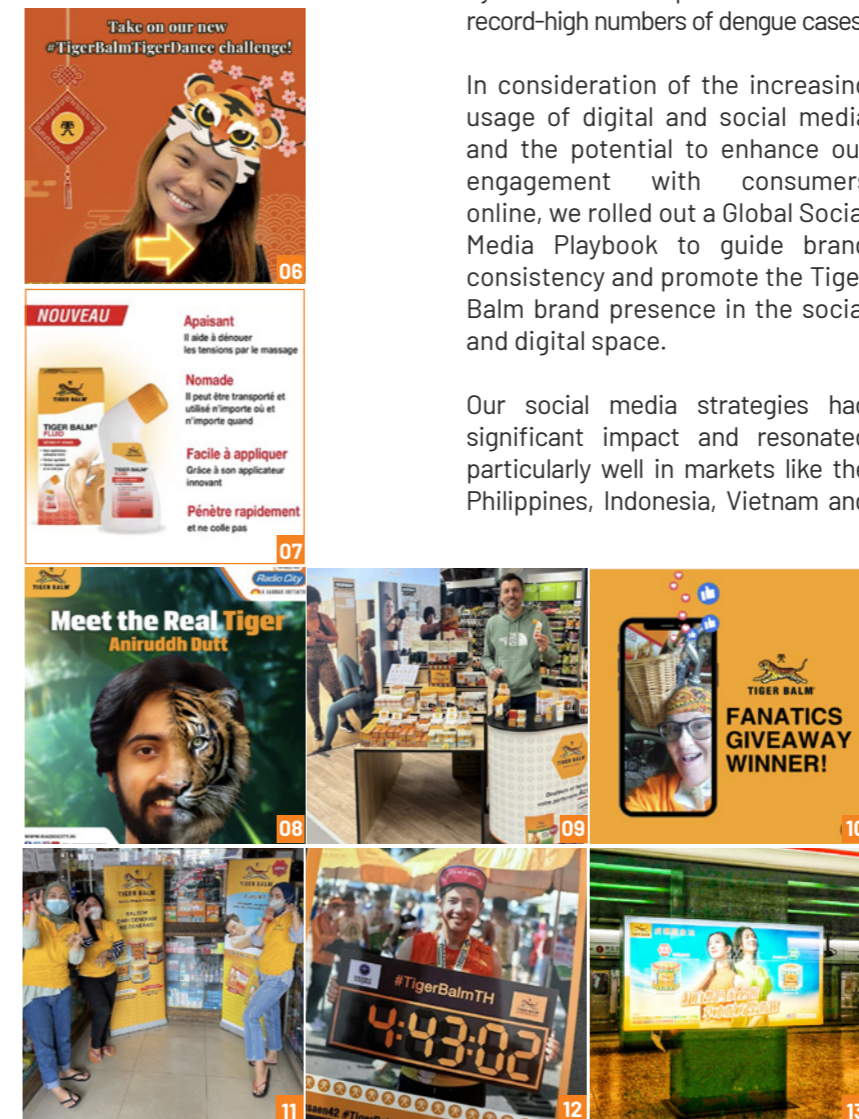
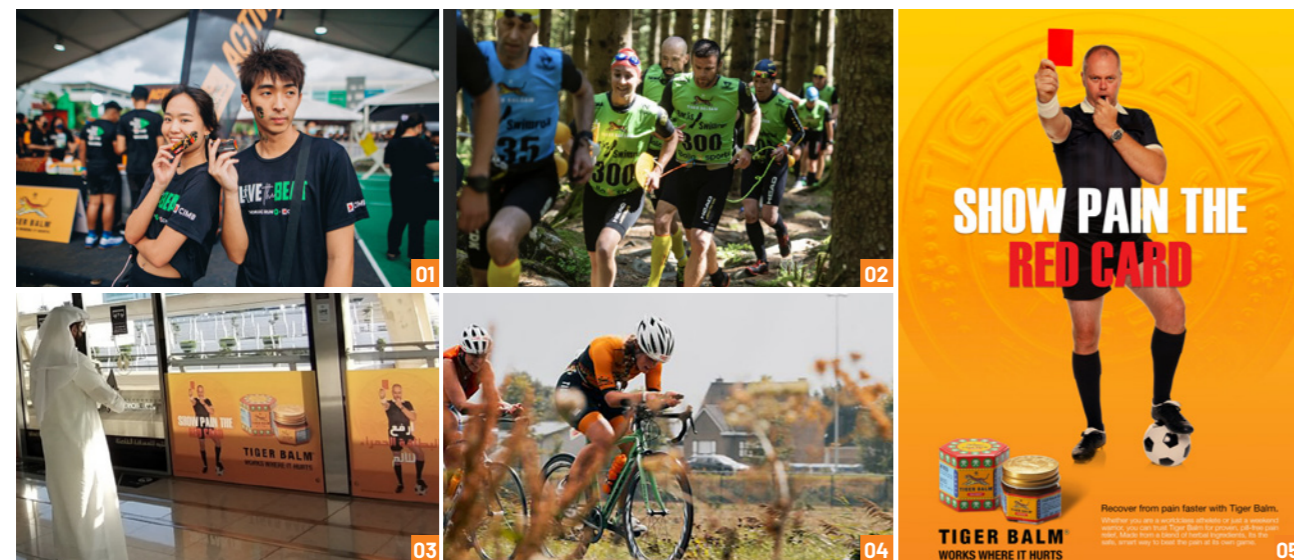
India, which have high social media penetration and usage across our target audiences. Supported by a Tiger Balm community of celebrities and micro-influencers covering an array of interests ranging from fashion to active lifestyles and Olympic sports, the Tiger Balm social media audience continues to grow.

CHALLENGES & OPPORTUNITIES

Many of the challenges that plagued businesses in 2022 are likely to persist in 2023 and may lead to an economic recession that impacts household purchasing power. As consumers change their shopping habits and shift to cheaper stores and retail brands to curb expenditure, we will have to adjust our channel focus and promotion strategies to cater to changing consumer needs.

To further strengthen brand differentiation, we will continue to evolve our communications to offer an integrated combination of online-offline Tiger Balm experiences across multiple channels preferred by the post-Covid consumer.








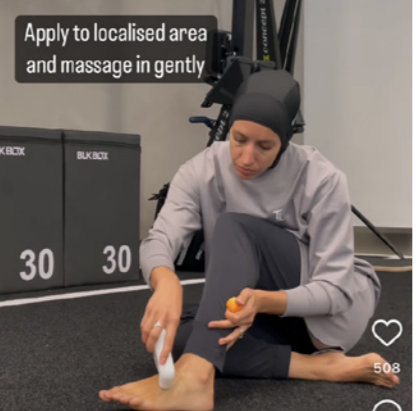

The opening of borders around the world will help to spur economic activities. With a good repertoire of new products to drive growth and animate the brand, and a strong network of distributor partners who are committed and passionate to drive success for the Tiger Balm brand, we are well positioned to roar back as the global economy recovers from the pandemic.






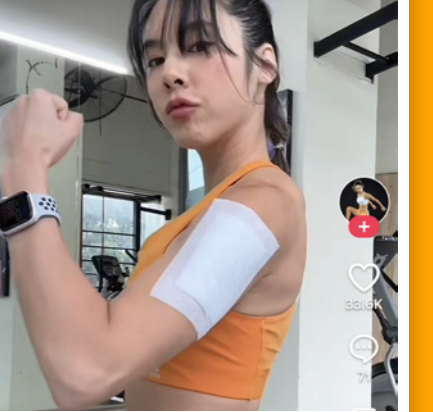


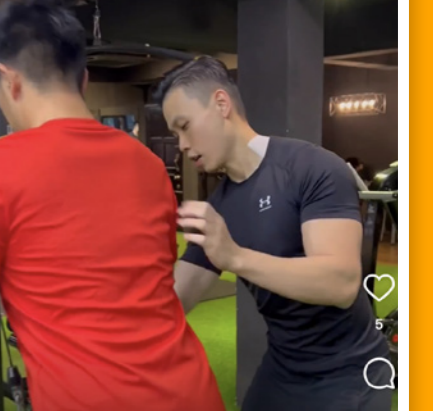


TIGER BALM GLOBAL PLAYER



TIGER BALM AMBASSADORS

 <p>USA</p>	 <p>France</p>	 <p>France</p>
<p>Musician + Wellness Blogger Natalie Aley</p>	<p>Marathoner + Ambassador for Tiger Balm and Les P'tits Bouts (a charity for children with Cockayne Syndrome) Yohan Durand, France</p>	<p>"Never without my Tiger Balm" Triathlete + Olympian & Tiger Balm Brand Ambassador Léonie Périault, France</p>
 <p>Sweden</p>	 <p>Austria</p>	 <p>Germany</p>
<p>Powerlifter Cassandra Annergren of Team Tigerbalsam, Sweden</p>	<p>Mountaineer + Blogger of berosa_gogreen Sabrina, Austria</p>	<p>Outdoor Adventurer + Blogger Jan Koerber, Germany</p>
 <p>UK</p>	 <p>UK</p>	 <p>The Netherlands</p>
<p>Fashion, Fitness & Lifestyle Content Creator Aliyah Maria Bee, UK</p>	<p>Fitness Expert + Fighter & London's Best Trainer Nesrine, UK</p>	<p>Triathlete Tom Oosterdijk, The Netherlands</p>

 <p>Cambodia</p>	 <p>Cambodia</p>	 <p>India</p>
<p>Professional Footballer Thierry Chantha Bin, Cambodia</p>	<p>Entrepreneur Daa Dao, Cambodia</p>	<p>Hero Motorsports Team Rally Bike Rider Sathyaraj Arumugam, India</p>
 <p>South Korea</p>	 <p>South Korea</p>	 <p>Thailand</p>
<p>Golfer + Digital Creator 민에나, South Korea</p>	<p>Outdoor Enthusiast 서나(서현), South Korea</p>	<p>ACE Certified Personal Trainer Bebe, Thailand</p>
 <p>Philippines</p>	 <p>Philippines</p>	 <p>Malaysia</p>
<p>Artist + Advocate & Tiger Balm Brand Ambassador Heart Evangelista, The Philippines</p>	<p>Football Captain + 2X Mr Football Award Winner Stephan Schröck, The Philippines</p>	<p>Personal Coach Alvin Tan, Malaysia</p>

INVESTMENT & PROPERTY OPERATIONS REVIEW

INVESTMENT

The Group has substantial investments that are managed under the guidance of the Investment Committee. These strategic assets have provided the Group with a stable source of recurring dividend income and financial strength over the years.



- 01 Haw Par Technocentre
- 02 Haw Par Centre
- 03 Menara Haw Par
- 04 Haw Par Glass Tower



PROPERTY

The property division comprises 45,287 square metres of commercial and industrial investment properties in Singapore and Malaysia, which the Group manages for leasing income.

Singapore

There are three leasehold properties in our Singapore portfolio - Haw Par Centre, Haw Par Glass Tower and Haw Par Technocentre.

Strategically located in Clemenceau Avenue, Haw Par Centre and Haw Par Glass Tower have 13,449 square metres of lettable office space with average occupancy standing at about 80% and 67% respectively. The light industrial building Haw Par Technocentre, which is situated in Commonwealth Avenue, reported average occupancy of about 90% for its 15,707 square metres of lettable area.

The key investments in the Group include:

	Strategic Investment Portfolio Profile					
	No. of Shares		Fair Value		Gross Investment Income	
	2022	2021	2022	2021	2022	2021
Quoted Equity Securities			\$'000	\$'000	\$'000	\$'000
United Overseas Bank Limited	74,850,539	74,850,539	2,297,912	2,013,480	89,821	74,102
UOL Group Limited	72,044,768	72,044,768	484,140	510,077	10,807	10,807



Malaysia

Our freehold commercial property in Malaysia, Menara Haw Par continued to be affected by the influx of new office supply and weak tenancy demand in the leasing market. Despite having a prime location in Kuala Lumpur's Golden Triangle along Jalan Sultan Ismail, its 16,131 square metres of lettable area was only 46% occupied during the year.

LEISURE OPERATIONS REVIEW



01

BUILDING ON TOURISM RECOVERY MOMENTUM

Pattaya's tourism sector showed promising signs of recovery since the second quarter of 2022. As Thailand's government progressively relaxed public health measures and lifted Covid-19 entry requirements for travellers to the country, there was a significant uptick in international tourist arrivals. As a result, Underwater World Pattaya benefitted from the improvement in overall business environment and looked to be back on track. Cost control and operational efficiency remained key areas of focus even as we responded and adapted to the evolving business landscape.

With the aim of raising awareness for our aquarium attraction in the local and overseas tourist markets, we participated in selected Amazing Thailand Festivals organised by the Tourism Authority of Thailand during the year. We also conducted targeted outreach initiatives to overseas travel partners as we geared up for the restart of cross-border travel.



02

As travel demand further recovered, we built on the momentum to engage our guests both online and offline. On social media, we shared news of our offers, celebrated special occasions such as Father's Day and Mother's Day, and called for support of World Ocean Day and other causes that increasingly resonated with an environmentally conscious audience. We leveraged on our showcase of numerous species of aquatic life to offer a unique learning experience for conservation education as school visits resumed.

- 01 Freediving "Mermaid" interacting with guests in the Underwater Tunnel during the Mermaid Show.
- 02 Open Ocean Zone of Underwater World Pattaya transformed into an underwater stage.
- 03, 04, 05 & 06 School groups visiting Underwater World Pattaya for a conservation education field trip.
- 07 Immersive experience for guests experiencing the Mermaid Show up close from the Underwater Tunnel.

To cater to more discerning travellers looking for unique experiences post-Covid, we transformed our Open Ocean Zone into an underwater stage where freediving "mermaids and mermen" put up performances. From our iconic Underwater Tunnel, visitors could watch mermaids swim by them alongside blacktip reef sharks and various types of fish.



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These live performances proved popular, drawing crowds during the year-end festive season as guests enjoyed the immersive experience of being 'transported' to an 'Ocean Kingdom' where they could interact with the mermaids through the acrylic panels of the Underwater Tunnel.

CHALLENGES & OPPORTUNITIES

Looking ahead, the tourism industry remains at risk to challenges such as new virus outbreaks or even a resurgence of the Covid-19 pandemic which remains a key concern for global health and economic stability. These health risks are likely to influence tourists' choice of destinations. As such, Underwater World Pattaya continues to uphold strict adherence to the latest health and safety protocols as advised by the authorities. We will continue to communicate our commitment to guest health and safety so as to give our guests peace of mind when they visit our aquarium.

The pandemic has also given rise to difficulties in recruitment and the replenishment of bio assets for the exhibits. Nonetheless, we are well-positioned to manage these challenges and in the year ahead, we will continue to maintain strict cost management discipline while optimising operations and ensuring safety standards.



07

PEOPLE & THE COMMUNITY

Haw Par has a long history of contributing to local communities in regions where the company conducts business. As we bring health and wellbeing to the people we serve through our innovative products and solutions, we are committed to giving back to society and upholding environmental protection and conservation.

SUPPORTING THE WELLBEING OF OUR COMMUNITIES

The pandemic has disproportionately impacted the poor and vulnerable in society, as well as those at the frontlines. We reinforced our commitment to support our communities through donations of Tiger Balm products.

In Hong Kong, we presented Tiger Balm as Chinese New Year gifts to the homeless and elderly at nursing homes. In Singapore, seniors staying alone at rental flats or nursing homes, low wage workers, migrant workers were among the beneficiaries who received Tiger Balm products during befriending programmes organised by non-governmental organisations.

In India, we focused on initiatives to advance basic maternal and child health in regions that have limited access to healthcare with the aim of improving the health and wellbeing of women and children. Working with the charities – Public Health Technologies Trust (PHTT) and Apnalaya, our donations helped equip PHTT healthcare frontline workers with the technology and tools to conduct pregnancy screening and classes for some 1,000 women and provided much needed wheelchairs and aids to Apnalaya's beneficiaries with disabilities.



01



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Hand to Hand Foundation
14 Sep · 🌐
We were blessed to visit the Pattaya Underwater World for free today as a part of our study of marine environments and animals. Lots of memories that will last forever were made today!!!

- 01 Gifting of Tiger Balm Ointment to elderly in Hong Kong during Chinese New Year at Gingko House.
Photo: Gingko House
- 02 A child and his family in India empowered by the gift of a wheelchair from Tiger Balm through Apnalaya.
Photo: Apnalaya
- 03 Frontline health workers conducting pregnancy screenings in rural India using technology and tools sponsored by Tiger Balm.
Photo: Public Health Technologies Trust
- 04 Cheque presentation by Haw Par Corporation to Singapore Disability Sports Council.
Photo: SDSC
- 05 Pre-school children from Hand to Hand Foundation treated to an educational visit at Underwater World Pattaya.
Photo: Hand to Hand Foundation

We believe that no one should be constrained from leading an active life, and sport is a force for wellbeing and empowerment. Since 2015, the Group has been supporting athletes from the Singapore Disability Sports Council (SDSC).

In 2022, we funded the Boccia Team, Tiger Balm Boccia Training Camp Singapore x Thailand, Tiger Balm WeHeartBoccia Community Outreach, National Youth Para Championships (Swimming & Athletics) and the Singapore Disability Sports Awards. Our contribution of \$120,000 to SDSC benefitted the organisation in key areas of development,

such as coaching, organisation of local competitions, participation in overseas competitions, nurturing young talent and education programmes, especially Boccia – our adopted sport, where a new generation of young athletes are beginning to win recognition regionally and internationally. To ensure that we are giving back to the community meaningfully, our management and staff visited SDSC in November 2022 to understand the work and journey of SDSC and their athletes.

Our support for SDSC has contributed to the growth of para sports in Singapore, enabling more to live healthier, active lives.



06



07



08



09

- 06 Prize presentation at the Haw Par National Youth Para Swimming Championships with participation from 12 schools and clubs.
Photo: SDSC
- 07 Boccia up-and-coming athlete Jeralyn Tan winning the Bronze medal for BC1 event at the 2022 ASEAN Para Games.
Photo: SNPC
- 08 A visit by Haw Par management and staff to understand the work of Singapore Disability Sports Council.
Photo: SDSC
- 09 Boccia athletes Toh Sze Ning and Aloysius Gan winning the Bronze medal for the BC3 Pairs event at the Zagreb 2022 World Boccia Intercontinental Challenger.
Photo: SDSC

PEOPLE & THE COMMUNITY

SUPPORTING BIODIVERSITY THROUGH RAISING AWARENESS

As a company that contributes to the health and wellbeing of our consumers, we appreciate that we can only be as healthy as the planet we live on, and we continue to explore ways to contribute to biodiversity conservation and education.

As the tiger and leopard are the namesakes of Haw Par and our founders, we have been sponsoring the Malayan Tiger Exhibit and the Leopard Exhibit at the Night Safari and the Singapore Zoo since 1995 and 1986 respectively. In 2021, we further extended our sponsorship through our adoption of the twin Malayan tiger cubs born at Night Safari. This was the first successful birth of the critically endangered Malayan tiger at the attraction in 23 years. On International Tiger Day, the pair was named via a public online vote.

They serve as ambassadors for their wild counterparts, helping to raise awareness on the need to protect these animals and their natural habitats. We continued our sponsorship in 2022 as an expression of our support for the protection of these animals listed among the most endangered species on Earth.

In line with our Blue Mission to inspire, educate and conserve, Underwater World Pattaya leverages its showcase of various species of aquatic life to promote environmental conservation onsite and online.

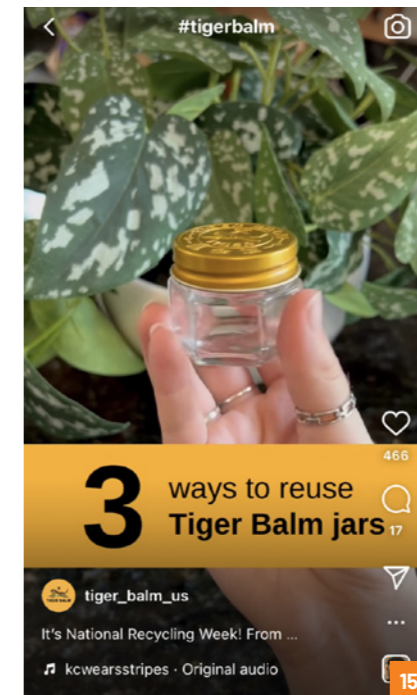
To mark World Ocean Day in June 2022, the Aquarium conducted an educational outreach on social media to highlight the environmental impacts of marine debris and to call for preservation of our shared oceans for future generations. In a show of support for Earth Hour on 26 March 2022, façade lights were switched off.

Going beyond that, Underwater World Pattaya also encouraged the public to join Earth Hour and take action against global warming. Tips on saving energy were shared through communications to staff and on social media. We have been supporting this annual environmental event since 2009.

Staying committed to our environmental cause, we have taken direct action over the years to increase the recycled content in our packaging materials for Tiger Balm products. Since 2011, we have switched to using paper with recycled paper content for our boxes for majority of our Tiger Balm products. We are continuously working with our vendors to reduce the usage of packaging materials. We will continue to explore ways to incorporate the 3Rs of Reduce, Reuse, Recycle into our business operations, as we source for efficient solutions to minimise our environmental footprint.



- 10 Supporting the Earth Hour at Underwater World Pattaya since 2009. Photo: WWF / Underwater World Pattaya
- 11 An educational outreach by Underwater World Pattaya on Facebook to mark World Ocean Day.



SUSTAINABILITY REPORT

Haw Par's sixth Sustainability Report was updated and prepared with reference to the Global Reporting Initiative (GRI) standards and covers Environmental, Social and Governance (ESG) factors, which consisted of areas like economic performance, compliance and good governance, occupational health and safety of employees, product quality and safety, labour practices and issues, supply chain and environmental factors.

- 12 The United Nations adopted 17 Sustainable Development Goals in 2015 to achieve sustainable development for all by 2030. The Group contributes to five of the goals.
- 13 & 14 Supporting environmental education through sponsorship of the Tiger and Leopard exhibits at the Night Safari and Singapore Zoo. Photo: Mandai Wildlife Reserve
- 15 Celebrated National Recycling Week in US with an Instagram video to educate consumers on "3 ways to reuse Tiger Balm jars".

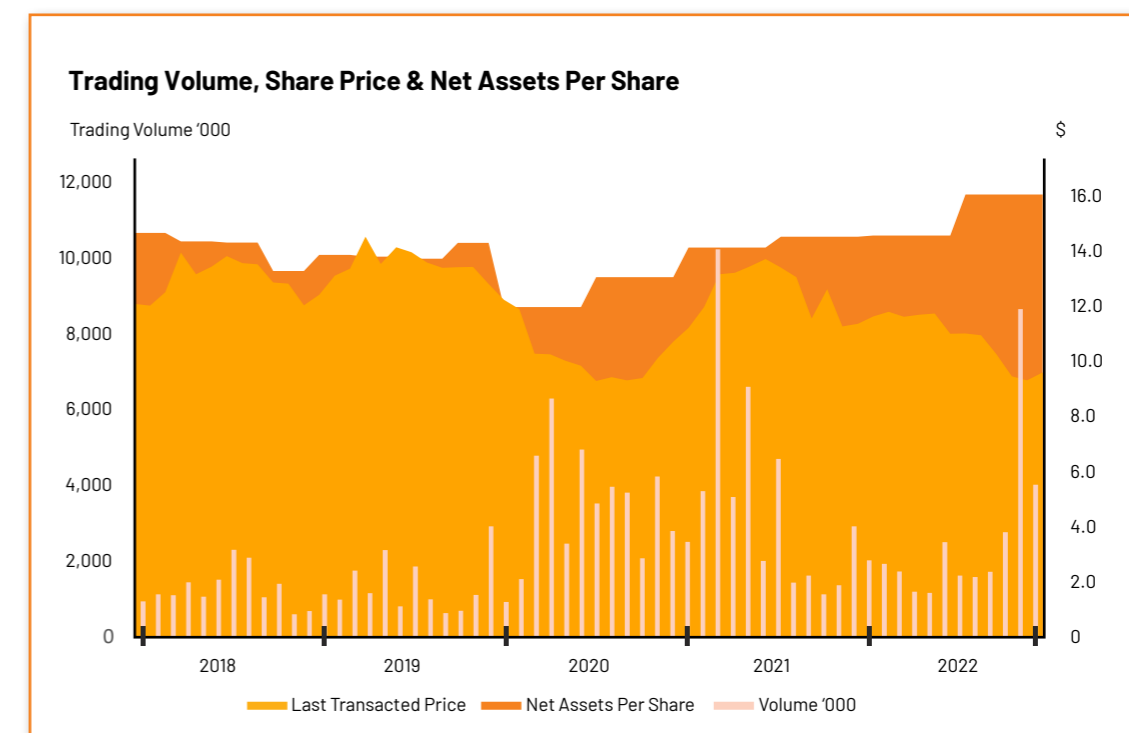
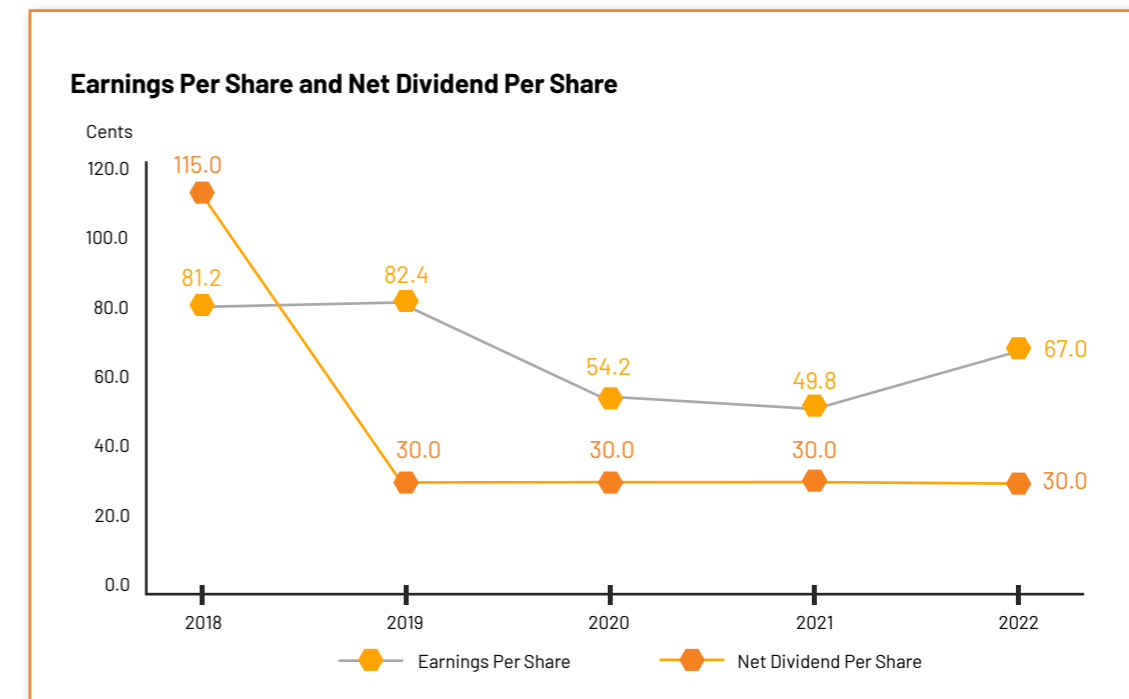
FIVE-YEAR FINANCIAL SUMMARY

	2022	2021	2020	2019	2018
Results (\$'000)					
Group turnover	182,092	141,180	111,032	243,987	237,814
Profit from operations	155,844	112,958	120,689	195,202	190,989
- Healthcare	40,209	21,328	16,200	74,777	77,252
- Investment	110,604	87,888	101,027	114,102	105,508
- Others ¹	10,311	8,878	9,139	10,815	12,322
- Unallocated expenses	(5,280)	(5,136)	(5,677)	(4,492)	(4,093)
Associate's contribution	3,125	3,222	3,517	1,765	1,290
Profit before taxation	158,969	116,180	124,206	196,967	192,279
Profit attributable to equity holders of the Company	148,316	110,103	119,773	182,207	179,068
Per Share					
Earnings (cents)	67.0	49.8	54.2	82.4	81.2
Dividend net (cents)	30	30	30	30	115 ²
Dividend cover (times)	2.2	1.7	1.8	2.7	0.7
Statement of Financial Position (\$'000)					
Strategic and long term investments	2,844,117	2,527,981	2,252,562	2,621,786	2,342,975
Investment properties	50,056	53,070	55,870	56,263	56,569
Property, plant and equipment	50,397	31,984	31,068	26,813	26,983
Associated company	15,769	13,044	10,222	7,105	5,740
Intangible assets	11,116	11,116	11,116	11,116	11,116
Other net assets	577,262	574,281	524,328	433,349	484,650
Net assets / Shareholders' funds	3,548,717	3,211,476	2,885,166	3,156,432	2,928,033
Statistics					
Return on equity (%)	4.20	3.4	4.2	5.8	6.1
Net assets per share (\$)	16.03	14.51	13.04	14.28	13.26
Share price (\$)	9.58	11.35	10.70	12.75	12.02
Debt/Equity (%)	0.80	0	0	0.2	0.8
Number of shareholders	19,964	19,619	20,370	18,909	18,675

¹ Included in "Others" are property and leisure divisions which constitute less than 25% of the Group's revenue and other income.

² Included a special dividend of 85 cents per share.

SHARE PRICE & TRADING VOLUME



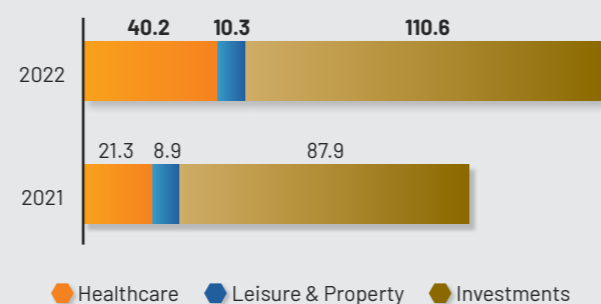
FINANCIAL REVIEW

OVERVIEW

Group revenue of \$182.1 million improved 29% from 2021, with strong contribution from Healthcare business as consumer spending starts to pick up. Operating segment profit for Healthcare increased 89% to \$40.2 million as a result of stepped up sales growth and prudent cost management. Leisure and Property segments' profit of \$10.3 million surpassed last year results by 16% as Underwater World Pattaya ("UWP") benefitted from the revival of global travel and tourism. Investments income increased 26% to \$110.6 million due to higher dividends from investments and rising interest rates. Consequently, Group earnings increased by 35% to \$148.3 million (2021: \$110.1 million), boosting earnings per share to 67.0 cents (2021: 49.8 cents)

Net asset per share increased to \$16.03 (2021: \$14.51), mainly attributed from higher fair value from strategic and long term investments as at 31 December 2022.

SEGMENT PROFITS BEFORE INTEREST EXPENSE AND TAX (\$ million)

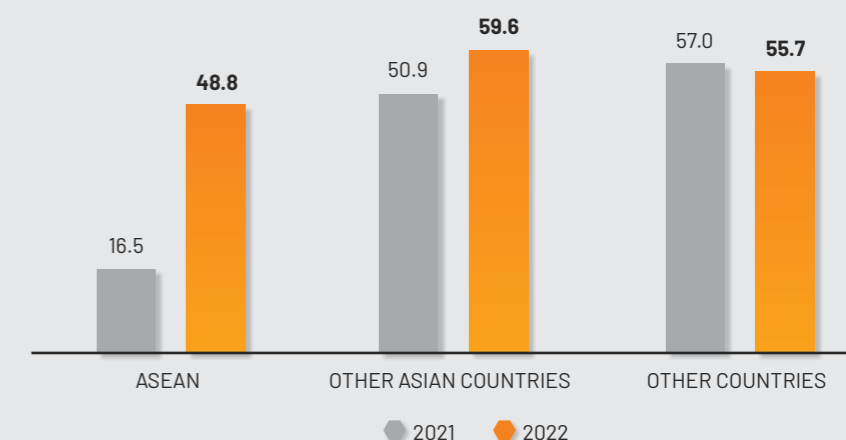


SEGMENTAL PERFORMANCE

HEALTHCARE

The easing of pandemic related restrictions globally led to an improvement in consumer demand for Healthcare products. Total revenue generated by Healthcare increased 32% to \$164.1 million due mainly to sales recovery from ASEAN and Other Asian countries. Sales in ASEAN countries experienced the largest recovery from \$16.5 million in 2021 to \$48.8 million in 2022. Sales to Other Asian countries continue to improve 17% to \$59.6 million. Though sales to other countries decreased 2% to \$55.7 million, demand in this geographical segment have surpassed pre-pandemic levels.

HEALTHCARE SALES BY REGION (\$ million)

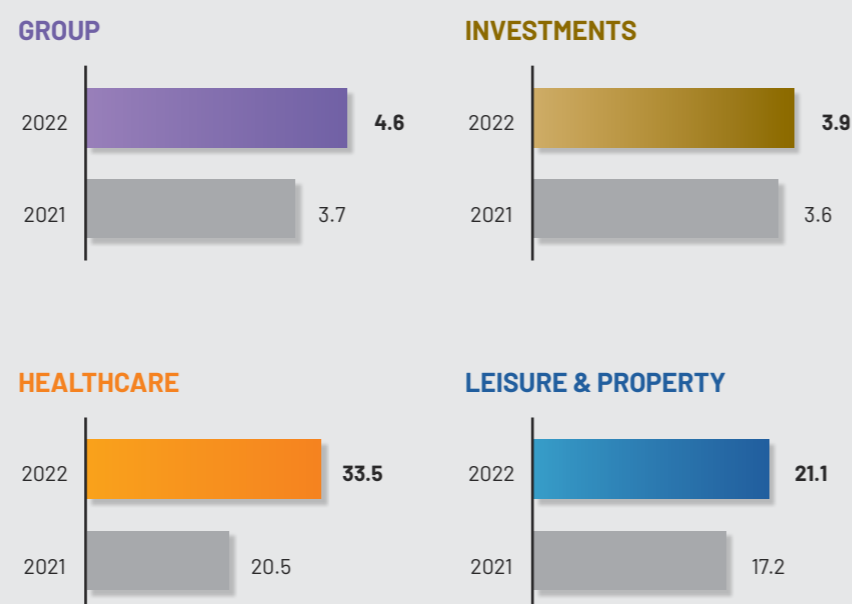


RETURN ON ASSETS EMPLOYED

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

The Group's ROA improved to 4.6% in 2022 (2021: 3.7%) amid better returns from Healthcare and Investments segments. ROA of Healthcare recovered further from 20.5% in 2021 to 33.5% in 2022 on the back of improvement in operating profit. ROA of Investments increased to 3.9% due to increase in dividend rates from strategic and long term investments. ROA of Leisure and Property improved to 21% due mainly to higher profitability at Leisure from the boost in visitorship following the lifting of movement restrictions.

RETURN ON ASSETS EMPLOYED (%)

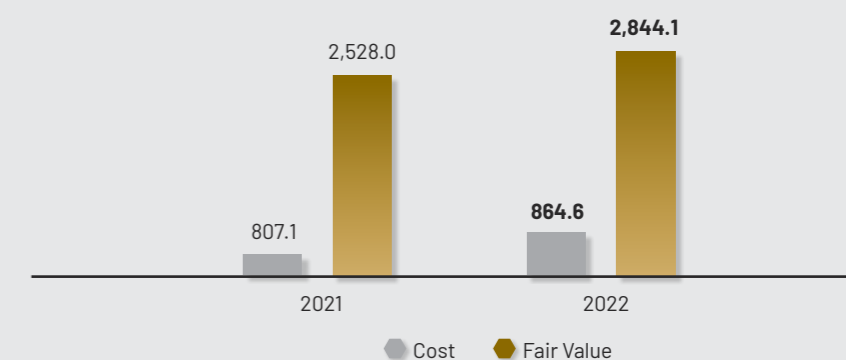


INVESTMENT

Fair value of the Group's investments portfolio increased from \$2,528.0 million as of 31 December 2021 to \$2,844.1 million as of 31 December 2022 due mainly to higher overall market valuations at year end and purchase of long term investments during the year.

The Group's dividend income increased 22% to \$104.0 million in 2022 due mainly to higher dividend rate.

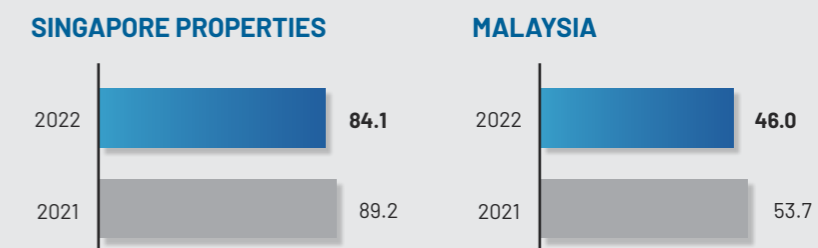
INVESTMENTS (COST VS FAIR VALUE) (\$ million)



PROPERTY

Average occupancy at Singapore and Malaysia properties have dipped during the year as the shift to hybrid working arrangement has led to reduced demand for office space. Notwithstanding the slower take up, the Group is committed to improve its investment properties to remain competitive.

PROPERTY (AVERAGE OCCUPANCY) (%)



CORPORATE GOVERNANCE REPORT

Haw Par Corporation Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) is committed to upholding good corporate governance practices to enhance long-term shareholder value and safeguard the interests of its stakeholders. It has adopted a framework of corporate governance policies and practices in line with the principles and provisions of the Code of Corporate Governance 2018 (the “**Code**”), and taking into account the best practices of the accompanying Practice Guidance issued to the Code. The following sections describe the Group’s corporate governance practices and structures that were in place during the financial year ended 31 December 2022 (“**FY2022**”) and explain deviations from any provision of the Code.

BOARD MATTERS

Principle 1: Board’s Conduct of its Affairs

The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company.

The principal responsibilities of the Board include:

- approving strategic plans and annual budgets;
- approving major funding, acquisition, investment and divestment proposals;
- ensuring that management establishes and maintains a sound system of internal controls, risk management, financial reporting and statutory compliance in order to safeguard shareholders’ interests and the Group’s assets;
- reviewing the performance of management in attaining agreed goals and objectives;
- approving the announcement of financial results and declaring dividends;
- guiding, reviewing and approving corporate strategy and financial planning, including major capital expenditures, acquisitions and divestments;
- reviewing and approving material interested person transactions (“**IP**”) and related person transactions;
- ensuring succession planning; and
- establishing and upholding an appropriate culture, values and ethical standards at all levels of the Group.

CORPORATE GOVERNANCE REPORT

All Board members bring their judgement and breadth of diversified knowledge and experience to bear on issues of strategy (including sustainability and environmental issues), performance, resources and standards of conduct. Board members understand the Company's business as well as their directorship duties (including their roles as Executive, Non-Executive and Independent Directors), and exercise due diligence and discharge their duties and responsibilities objectively at all times as fiduciaries, in the best interests of the Company. They set an appropriate tone-from-the-top on the desired organisational culture, and to ensure proper accountability within the Company, they have put in place a Code of Business Conduct and Whistle Blowing Policy, more details of which are set out under the Code of Business Conduct and Whistle Blowing Policy section of this Annual Report.

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

The Group has adopted internal guidelines which set out specific matters requiring Board approval, which are clearly communicated to management in writing. These written guidelines also include financial and non-financial limits of authority given to management. Under the guidelines, Board approval is required for material transactions including joint ventures, mergers and acquisitions, and for the adoption and amendment of the Group risk management policy. In respect of matters in relation to which a Board member has a conflict of interest, such Board member recuses himself from any discussion or decision involving the issue of conflict.

On sustainability issues, the Sustainability Steering Committee ("**SSC**"), consisting of senior management and led by the President & Chief Executive Officer (the "**CEO**"), evaluates sustainability efforts and priorities within the Group. The SSC reports to the Board, which has considered sustainability issues as part of its overall strategy formulation, and has determined the Environmental, Social and Governance ("**ESG**") factors identified as material to the business of the Group. The Board oversees the management and monitoring of these ESG factors. The material ESG factors that are the focus in the sustainability reporting of the Group for FY2022 include economic performance, compliance and good governance, occupational health and safety of employees, product quality and safety, labour practices and issues, supply chain, and environmental factors. All Board members have undergone training on sustainability matters as prescribed by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") in 2022.

In 2022, the SSC formed the Climate Change Sub-Committee to monitor market and regulatory related developments on climate reporting requirements that are consistent with the recommendations of the Task Force on Climate-related Financial Disclosures ("**TCFD**"). The sustainability report of the Company can be found on the Company's website at www.hawpar.com/sustainability.

The Board has delegated specific responsibilities to four Board Committees, which are the Audit and Risk, Nominating, Remuneration and Investment Committees. Each of these Committees has its own written charter or terms of reference, setting out the Committee's compositions, authorities and duties, including reporting back to the Board. These are reviewed periodically to ensure their continued relevance. Changes to the Board Committees' composition and appointments to the Board Committees are approved by the Board.

The delegation of authority by the Board to the Board Committees is as set out in the table of authority grid approved by the Board.

CORPORATE GOVERNANCE REPORT

The Board held four meetings during FY2022. Directors attend and actively participate in Board and Board Committee meetings, and can attend Board and Board Committee meetings in person or virtually if they are unable to attend in person. The attendance of Directors at the Annual General Meeting ("AGM"), Board and Board Committee meetings held in FY2022 is as follows:

Table 1:

Number of meetings attended in FY2022

Name	Board	Audit and Risk Committee	Nominating Committee	Remuneration Committee	Investment Committee	AGM
	4	4	1	1	4	1
	Number of Meetings Attended					
Wee Cho Yaw (Non-executive / Non-independent)	4/4 ⁽¹⁾	N/A	1/1	1/1	4/4 ⁽¹⁾	1/1
Wee Ee-chao (Non-executive / Non-independent)	4/4	N/A	N/A	N/A	N/A	1/1
Wee Ee Lim (Executive / Non-independent)	4/4	4/4 ⁽²⁾	N/A	1/1 ⁽²⁾	4/4	1/1
Gn Hiang Meng (Non-executive / Independent)	4/4	4/4	1/1 ⁽¹⁾	1/1 ⁽¹⁾	NA	1/1
Chew Choon Soo (Non-executive / Independent)	4/4	3/4	1/1	1/1	N/A	1/1
Low Weng Keong (Non-executive / Independent)	4/4	4/4 ⁽¹⁾	N/A	N/A	N/A	1/1
Ong Sim Ho (Non-executive / Independent)	4/4	N/A	N/A	N/A	N/A	1/1

Notes:

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

The Board and Board Committees also make decisions by way of circulation of resolutions in writing as needed.

CORPORATE GOVERNANCE REPORT

Directors are appointed by way of formal letters of appointment which set out their duties and obligations. The Company has in place a comprehensive orientation programme for newly appointed Directors. The programme is tailored according to the profile and experience of new Directors. It includes training in areas such as industry and operational knowledge or accounting updates, duties as Directors and how to discharge those duties as well as meetings with key personnel for new Directors to understand the Group's businesses, governance practices, strategic plans and objectives. Site visits are conducted as needed. The orientation programmes are conducted by the CEO, Company Secretary and various heads of business units and functions, in order to familiarise new Directors with the Group's operations, practices and Code of Business Conduct.

The Company is a corporate member of the Singapore Institute of Directors. The Company encourages Directors to keep abreast of relevant new laws, regulations, changing commercial risks and industry development from time to time, and arranges and funds the training of Directors to attend external courses and talks by professional organisations to develop and maintain their skills and knowledge, as and when relevant and needed. Directors are continuously updated by the Chief Financial Officer ("CFO"), Company Secretary and auditors on developments in the regulatory and business environment affecting the Group. In FY2022, the Directors were given updates on the changes to the Listing Rules of the SGX-ST, sustainability reporting and changes in the new accounting standards and reporting requirements. None of the Directors has appointed an alternate director.

Principle 2: Board Composition and Guidance

The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.

The Nominating Committee ("NC") implements the Board Diversity Policy which reflects the importance of board diversity. Our Diversity Policy seeks to include people with diversity of skills, industry and business experiences, core competencies, gender, seniority in age and experience, qualifications and other relevant attributes useful to the Board. The Board considers its present board of four Non-Executive and Independent Directors out of seven board members to be of appropriate size and diversity mix. The board members reflect a wide range of age and background having been drawn from different industries with diverse skills and core competencies in management, strategic planning, customer-focused experience, accounting, finance, legal and knowledge of the Group's businesses. The Board will seek suitable gender diversity as and when opportunity arises in the coming years. All Board appointments will always be made based on merit.

The NC, having regard to the relevant rules of the Listing Manual of the SGX-ST, the Code's guidance for assessing independence and the relevant Practice Guidance, has determined that the Board comprised a majority of Independent Directors throughout FY2022. The Non-Executive Directors during FY2022 considered as independent by the Board are Mr Gn Hiang Meng, Mr Chew Choon Soo, Mr Low Weng Keong and Mr Ong Sim Ho, as indicated in Table 1 above. The Board is of the view that they maintained their independence throughout FY2022.

CORPORATE GOVERNANCE REPORT

Independent Directors are independent in conduct, character and judgement, and have no relationships with the Company, its related corporations, its substantial shareholders or its officers which could interfere, or be reasonably perceived to interfere, with the exercise of their independent business judgement in the best interests of the Company. They are not substantial shareholders and are independent of the substantial shareholders of the Company.

The Independent Directors are not family members of any substantial shareholder of the Company and were not directly associated with any substantial shareholder in FY2022 or the immediate past financial year. They and their immediate family members did not have any financial dealings with the Group whether in FY2022 or the immediate past financial year, nor were they or any of their immediate family members, during FY2022 or the immediate past financial year, a substantial shareholder of, or a partner in (with 5% or more stake), or an executive officer of, or a director of, any organisation to which the Group made, or from which the Group received, significant payments or material services (including auditing, banking, consulting and legal services) in FY2022 or the immediate past financial year. Also, neither they nor any of their immediate family members were employed by the Group at any time during FY2022 or during the previous three financial years. In addition, they and their immediate family members did not receive any significant compensation (of more than S\$50,000) from the Company or any of its related corporations for the provision of services during FY2022 or during the immediate past financial year other than as Directors' fees for their services on the Board.

As of 31 December 2022, no Independent Director has served on the Board for an aggregate period of more than nine years.

Principle 3: Chairman and Chief Executive Officer

There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

There is a clear division of the roles and responsibilities between the Non-Executive Chairman of the Board and the CEO, who is the son of the Chairman. The Chairman's principal role is to lead and guide the Board. The scope of responsibilities and limits of authority of the CEO are set out in writing. The CEO executes the strategic directions set by the Board and is responsible for the Group's day-to-day operations. A table of authority grid approved by the Board sets out such division of responsibilities between the Chairman and the CEO.

Although the Chairman and CEO are related, the Board is of the opinion that it is not necessary to appoint a lead independent director for the reasons specified in this paragraph. A shareholder can approach any Independent Director for assistance through the Company Secretary, if he or she has any concerns or issues that affect shareholders generally. Where necessary, the Independent Directors also have the discretion to meet without the presence of other Directors and can provide objective feedback to the Chairman following such meetings. The chairmen of the Board Committees have sufficient standing and authority to look into any matter which management or the Executive Director fails to resolve. The Non-Executive Directors and/or the Independent Directors, led by an Independent Director, meet regularly without the presence of management, and the chairman of such meetings provides feedback to the Board and/or Chairman as appropriate.

CORPORATE GOVERNANCE REPORT

Nominating Committee

Principle 4: Board Membership

The Board has a formal and transparent process for the appointment and re-appointment of Directors, taking into account the need for progressive renewal of the Board.

For FY2022, the NC comprised three members, namely, Mr Gn Hiang Meng, Dr Wee Cho Yaw and Mr Chew Choon Soo. The majority of the NC, including the Chairman of the NC, are Independent Directors.

The principal responsibilities of the NC are to:

- review appointments / reappointments of Directors and Key Management Personnel¹ (“KMPs”);
- review the composition of the Board and Board Committees;
- review the succession plans for Directors, in particular for the Chairman, and KMPs and make recommendations to the Board on the same;
- assess the independence of Directors;
- evaluate the performance of the Board and Board Committees (including whether a Director is able to and has been adequately carrying out his or her duties as a Director), and review the process and criteria for such evaluation;
- set objectives for achieving board diversity and review the Company's progress towards achieving these objectives; and
- review training and professional development programmes for Directors, and make recommendations to the Board on the same.

The charter of the NC provides that the NC shall comprise not less than three members, all non-executive, of which the majority shall be independent.

Each year, the NC reviews the composition of the Board as part of its succession planning. Suitable candidates are identified through personal and professional networks. The NC reviews each candidate objectively. When assessing potential candidates, the NC takes into account the existing Board composition, and the candidate's background, qualification, experience, time commitment and his/her ability to contribute to the Board's collective skills, knowledge and experience. Where a candidate is assessed to be suitable, the NC makes a recommendation for the Board to approve the formal appointment.

¹ The term “**Key Management Personnel**” shall mean the Chief Executive Officer and other persons having authority and responsibility for planning, directing and controlling the activities of the Company.

CORPORATE GOVERNANCE REPORT

The NC makes annual recommendations to the Board on the re-election of existing Directors having regard to their competencies, commitment, contributions and performance on a qualitative basis. All Directors submit themselves for re-nomination and reappointment at regular intervals and at least once every three years. Each year, one-third of the Board retires from office by rotation. New Directors submit themselves for re-election at the AGM immediately following their appointment by the Board.

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

Principle 5: Board Performance

The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

The NC recommends for the Board's approval the objective performance criteria and process for the evaluation of the effectiveness of each Board Committee and of the Board as a whole, as well as the contribution by the Chairman and each individual Director to the Board.

The process of assessing the Board, the Board Committees and each Director involves each Director completing board evaluation forms to provide his view on the composition, practices and conduct of the Board and the Board Committees, and how the Board and each Board Committee adds value to the Company. The responses to the board evaluation forms are compiled by the Company Secretary and thereafter presented to the NC. No external facilitator has been used.

For FY2022, the NC evaluated and assessed the effectiveness of the Board's performance as a whole, taking into consideration, amongst other matters, the Board's discharge of its principal responsibilities, and the earnings of the Group, return on equity and the share price performance of the Company over a five-year period. These performance criteria also include the performance of the Company as compared to industry peers and are linked to long term shareholder value. The NC is of the opinion that the Board as a whole has performed well during FY2022 and that the Chairman and each Director has contributed to the overall effectiveness of the Board.

For FY2022, the NC evaluated and reviewed the performance of the Board Committees (except the NC itself). It is satisfied with the matters dealt with by the Board and Board Committees and the depth and frequency of such deliberations. All Board members have access to the evaluation performed by the NC.

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

CORPORATE GOVERNANCE REPORT

Access to Information

Management provides Directors with complete and adequate information on the Group's financials and operations in a timely manner, both on an on-going basis and prior to meetings. Comprehensive information including information on strategic, financial, key operational and compliance matters is provided to Directors on a monthly and quarterly basis to enable them to make informed decisions and discharge their duties and responsibilities. Matters requiring the Board's decision are generally sent to Directors at least five working days prior to Board meetings. The Company uses an electronic portal to which electronic board papers are uploaded for Board and Board Committee meetings. This has increased the Board's control over confidential and price sensitive information and has helped to create a secure environment, while contributing to the Company's sustainability efforts by reducing paper usage. The electronic portal also contains a library of resources, including constitutional documents, documents relating to past Board meetings and annual reports as well as communication tools which enable Directors to easily access relevant information and have it at their fingertips throughout the year.

Regular Board meetings are scheduled in November each year for the following year while urgent Board meetings, if needed, are normally scheduled at least five working days in advance. The Board is also provided with opportunities to meet with managers and heads of divisions on at least a half-yearly basis to understand the businesses of the Group. In the event a new business project or matter requires the Board's input, the relevant head of division and/or subject expert will be present in person at the relevant Board meeting to facilitate the Board's decision-making. Non-Executive Directors constructively challenge management's proposals on strategy and review the performance of management in meeting short and long-term business goals.

Directors have separate, independent and unrestricted access to management, the Company Secretary and external advisors (where necessary) at the Company's expense. The Company Secretary is required to attend and attends all Board meetings as well as the Audit and Risk Committee meetings. The CFO attends all Board and Board Committee meetings. They ensure that Board procedures are followed and the rules and regulations applicable to the Board are complied with. The Company Secretary and CFO are responsible for ensuring adequate information flows within the Board and Board Committees and between senior management and Non-Executive Directors, advising the Board on all governance matters, as well as facilitating orientation and assisting with professional development as required. Under the Constitution of the Company ("**Constitution**"), the decision to appoint or remove the Company Secretary rests with the Board as a whole. Directors may take independent professional advice, if necessary.

REMUNERATION MATTERS

Principle 6: Procedures for Developing Remuneration Policies

The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and KMPs. No director is involved in deciding his or her own remuneration.

Procedures for Developing Remuneration Policies

For FY2022, the Remuneration Committee ("**RC**") comprised three members, namely Mr Gn Hiang Meng, Dr Wee Cho Yaw and Mr Chew Choon Soo.

CORPORATE GOVERNANCE REPORT

Under the RC Charter, the majority of the RC, including the Chairman of the RC, shall be Independent Directors. All the members of the RC are Non-Executive Directors. The RC is supported by the Human Resource Director and/or external consultants if needed. No external consultants were engaged in FY2022.

The RC considers all aspects of remuneration, including termination terms, to ensure they are fair. The principal responsibilities of the RC include:

- a) in consultation with the Chairman of the Board, reviewing and recommending to the Board for its endorsement, a framework of remuneration for the Board and the KMPs of the Company;
- b) reviewing and recommending to the Board for its endorsement the remuneration packages/fees of each Director;
- c) reviewing the remuneration packages for KMPs; and
- d) administering the Company's long term incentive plan.

During FY2022, the RC reviewed the amount of Directors' fees payable to the Non-Executive Directors to be recommended for shareholders' approval. It also assessed the performance of and determined all aspects of remuneration of the Executive Director, and reviewed the remuneration packages for KMPs.

The RC has reviewed the Group's obligations arising in the event of termination of the service contracts of the Executive Director and KMPs, to ensure that such service contracts contain fair and reasonable termination clauses which are not overly generous. The RC considered whether contractual provisions are necessary to allow the Company to reclaim incentive components of remuneration from the Executive Director and KMPs. Based on the terms and conditions of the variable components of the remuneration of the Executive Director and KMPs, the RC is of the view that there is no need for express contractual provisions in the service contracts of the Executive Director and KMPs to allow the Company to reclaim incentive components of their remuneration paid in prior years in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss. In addition, the Executive Director owes a fiduciary duty to the Company, and the Company should be able to avail itself of appropriate remedies should there be any breach of fiduciary duties on the part of the Executive Director.

Principle 7: Level and Mix of Remuneration and Disclosure on Remuneration

The level and structure of remuneration for the Directors and KMPs are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company.

Principle 8: Disclosure of Remuneration

The Company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration and the relationship between remuneration, performance and value creation.

The RC takes into consideration current industry norms on compensation and adopts a remuneration policy in line with industry practices.

CORPORATE GOVERNANCE REPORT

None of the Non-Executive Directors has any service contract or consultancy agreement with the Company. Non-Executive Directors, including the Chairman of the Board, are paid Directors' fees which comprise a basic fee and additional fees for serving on Board Committees. None of the Board members or RC members is involved in deliberations relating to any remuneration, fees, options and/or benefits to be granted to him individually. The RC recommends Directors' fees to the Board for endorsement prior to submission to shareholders for approval at each AGM. In the process, the RC takes into consideration the complexity of the Group, the workload of each Board Committee member, the effort, time spent and responsibilities of each Non-Executive Director, as well as market trends before recommending the fee structure to the Board, so as to ensure that the remuneration of Non-Executive Directors is appropriate to the level of contribution.

The Directors' fee structure⁽¹⁾ for Non-Executive Directors starting from FY2022 is as follows:

	S\$	
Board		
- Chairman	110,000	(previously \$90,000)
- Deputy Chairman	71,500	(previously \$58,500)
- Member	55,000	(previously \$45,000)
Audit and Risk Committee		
- Chairman	38,500	(previously \$20,000)
- Member	22,000	(previously \$10,000)
Nominating and Remuneration Committee		
- Chairman	22,000	(previously \$10,000)
- Member	16,500	(previously \$5,000)

⁽¹⁾ The fee structure of the Non-Executive Directors is based solely on a retainer fee basis, with additional fees for membership of Board Committees which are commensurate with the effort and time required for the performance of their additional duties.

⁽²⁾ For FY2022, subject to shareholders' approval of the aggregate directors' fees at the forthcoming AGM on 25 April 2023, there is a proposed increase for the fees of all members of the Board and the Board Committees.

The Group generally remunerates its employees at market competitive levels, commensurate with their performance and contribution to the long-term interests and success of the Group. The Group's remuneration policies take into account the risk policies of the Group, including risk outcomes and the time horizon of risks. The remuneration package normally comprises fixed and variable components. The fixed component comprises basic salary, allowances and central provident fund contributions. The variable component comprises a variable bonus based on the Group's and each individual's performance and grants under the Haw Par Long Term Cash Award Plan ("**HPLTI Plan**"). A variable bonus scheme is in place for each business unit. This economic value-added based bonus scheme takes into consideration working capital efficiency, productivity and current year earnings in order to derive a pool for distribution in accordance with the individual's performance and his/her contributions towards meeting the respective work plans for the year. In determining the pool, investment income which comprises dividend income from the Group's strategic investments and interest income/expense from the Group's central treasury function are excluded. Eligible employees are also entitled to receive grants under the HPLTI Plan, which places emphasis on rewarding individual employees based on their performance (as explained in greater detail below). The Company had a share option scheme, the Haw Par Corporation Group 2002 Share Option Scheme, which ceased in 2017 with the remaining previously granted options valid until the respective expiry dates. As of 28 February 2022, all remaining options granted under the Haw Par Corporation Group 2002 Share Option Scheme have been exercised and there are no outstanding share options. Details of this share option scheme are found in the Directors' Statement.

CORPORATE GOVERNANCE REPORT

In the annual review of the remuneration of the CEO and KMPs (who are not Directors or the CEO), the RC takes into consideration the performance of the individual as an important factor in its review and the comparative remuneration of similarly placed persons in the market. The performance criteria for the CEO includes achievement of financial objectives using financial indicators such as overall profitability and return on assets over a period of time, which criteria were chosen in order to incentivise the CEO and align his interests with that of the Group. These criteria were satisfactorily met during FY2022. The remuneration of the CEO and KMPs (who are not Directors or the CEO) is reviewed annually by the RC and includes a variable bonus component which is performance-based as described above. The level and structure of remuneration for the CEO is aligned with the long term interests of the Group.

The HPLTI Plan was put in place and was approved by the Board in FY2017 to take effect from 1 January 2018. The objective of the HPLTI Plan is to incentivise KMPs to drive long term business priorities and shareholder value creation. Under the HPLTI Plan, targets are set in advance over a two-year performance period. Participants will receive cash awards based on the level of achievement of the targets at the end of the performance period and with the RC's approval. Appropriate weightage is given to revenue and operating profit growth, and total shareholder returns, with defined superior, target and threshold performance metrics based on two-year rolling budgets approved by the Board. The RC reviews the definition of superior, target and threshold performance metrics before annual grants are awarded and will continue to review annually the relevance of the above key performance metrics.

As a whole, a significant and appropriate portion of the CEO's and KMPs' (who are not Directors or the CEO) remuneration is structured so as to link rewards to corporate and individual performance. Performance-related remuneration is aligned with the interests of shareholders and other stakeholders and promotes the long-term success of the Company. Further, remuneration is appropriate to attract, retain and motivate the Director(s) to provide effective stewardship of the Company, the CEO and KMPs (who are not Directors or the CEO) to successfully manage the Company for the long term.

The details of the remuneration of each Director for FY2022 are as follows:

Table 2:

Name	Directors' Fees ¹	Base or fixed salary	Variable bonus	Benefits-in-kind and others	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Wee Ee Lim	-	1,209	1,104	127	2,440
Wee Cho Yaw	143	-	-	-	143
Wee Ee-chao	72	-	-	-	72
Gn Hiang Meng	121	-	-	-	121
Chew Choon Soo	110	-	-	-	110
Low Weng Keong	94	-	-	-	94
Ong Sim Ho	55	-	-	-	55

Note:

1. Directors' fees are subject to shareholders' approval at the forthcoming AGM on 25 April 2023.

CORPORATE GOVERNANCE REPORT

The remuneration of, each of, the top five KMPs (who are not Directors or the CEO) for FY2022, in no order of quantum sum, is as follows:

Table 3:

Name / Position	Base or fixed salary	Variable bonus	Benefits-in-kind and others	Total
	%	%	%	%
S\$500,001 – S\$750,000				
Loo Liat Khiang Brian, Group General Manager	62	31	7	100
Chow Say Suan, CFO	60	40	0	100
S\$250,000 – S\$500,000				
Goh Bee Leong, GM - Manufacturing	58	34	8	100
Jasmin Hong, GM - Marketing	59	34	7	100
Keeth Chua, GM - Marketing	59	34	7	100

The total remuneration paid/accrued to the top five KMPs (who are not Directors or the CEO) is S\$2,299,552.

The aggregate amount of termination, retirement and post-employment benefits that may be granted to the CEO, and the KMPs (who are not Directors or the CEO) is about S\$640,000.

Save as disclosed below, there is no employee (other than the CEO) who is a substantial shareholder of the Company, or an immediate family member of a Director, the CEO or a substantial shareholder and whose remuneration exceeds S\$100,000 in FY2022. A relative of the CEO, Mr Kelvin Whang, who is the General Manager of Underwater World Pattaya, received annual remuneration (including benefits-in-kind) of between S\$200,000 and S\$300,000. As at 6 March 2023, there is one employee who is a substantial shareholder of the Company, namely the CEO and Executive Director, Mr Wee Ee Lim.

CORPORATE GOVERNANCE REPORT

ACCOUNTABILITY AND AUDIT

The Board provides shareholders with a balanced and clear assessment of the Group's performance, position and prospects through announcements of its periodic and full-year results as well as timely announcements of any price-sensitive information through disclosure via SGXNET and various other forms of media, including press releases posted on the Company's website. Internal guidelines are in place to comply with legislative and regulatory requirements. Management provides the Board with management reports of the Group on a monthly basis and additional details as the Board may require from time to time. The management reports, containing sufficient details and comparisons to planned budgets, provide the Directors with a means to monitor and make balanced and informed assessment of the Group's performance, position and prospects.

Audit and Risk Committee ("ARC")

Principle 10: Audit Committee

The Board has an Audit Committee ("AC") which discharges its duties objectively.

For FY2022, the ARC comprised three members, namely, Mr Low Weng Keong, Mr Gn Hiang Meng and Mr Chew Choon Soo, all of whom were Non-Executive Independent Directors. The Chairman of the ARC, Mr Low Weng Keong, was formerly the country managing partner of a Big Four in Singapore, and a past global chairman and president of CPA Australia. Mr Gn Hiang Meng was a senior banker with more than 30 years' experience in investment banking and the hospitality industry. Mr Chew Choon Soo has more than 23 years of senior executive search and assessment experience and served in various regional and global management and committee roles.

The charter of the ARC provides that the ARC shall comprise not less than three members, all non-executive, and the majority of whom shall be independent. At least two members of the ARC, including the Chairman, shall have recent and relevant accounting or financial management expertise or experience. None of the current and former ARC members were partners or directors of the Company's existing auditors in the last 24 months, or had or has had any financial interest in the Company's existing auditors, PricewaterhouseCoopers LLP.

The principal responsibilities of the ARC include:

- reviewing the audit plans with the internal and external auditors;
- reviewing the audit report of the external auditors and the results of the internal audit procedures;
- making recommendations to the Board on the proposals to the shareholders on the appointment, re-appointment and removal of external auditors, and the compensation and terms of engagement of the external auditors;
- reviewing annually the adequacy, effectiveness, independence, scope, results and objectivity of the external auditors, the cost effectiveness of the audit, and the nature and extent of non-audit services;
- approving the hiring, removal and compensation of the Group Internal Audit Manager and evaluating the performance of the Group Internal Audit Manager;

CORPORATE GOVERNANCE REPORT

- ensuring that the internal audit function is adequately resourced and has appropriate standing within the Group;
- reviewing the adequacy, effectiveness, independence, scope and results of the internal audit function annually;
- reviewing the Group's periodic and full year results and annual financial statements prior to approval by the Board, and the appropriateness and consistency of accounting principles and policies adopted across the Group, including significant financial reporting issues and judgements;
- reviewing any announcements relating to the Company's performance;
- reviewing annually the adequacy and effectiveness of the Company's system of internal controls, including accounting controls, and addressing financial, operational, compliance and information technology ("IT") risks and risk management processes;
- reviewing the assurance from the CEO and the CFO as to the proper maintenance of financial records and that the financial statements give a true and fair view of the Group's operations;
- reviewing IPTs and related party transactions;
- oversight and reviewing whistle-blowing reports; and
- reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on.

The ARC has full authority to investigate any matter, including, but not restricted to, issues of internal controls, suspected fraud or irregularity. It has access to and full co-operation of the management and may invite any Director or executive officer to attend its meetings.

During FY2022, the ARC held four meetings during which it performed its responsibilities as set out above. The Group's internal and external auditors were also present at the regular quarterly meetings. The ARC met the external and internal auditors separately without the presence of management to discuss the competency and adequacy of the Company's finance function and the level of co-operation provided by management and inquired into material weaknesses or control deficiencies noted during the course of their work. There was no adverse feedback from these meetings.

In its review of the financial statements, the ARC discussed with management the key accounting policies applied and areas where judgement and critical estimates were involved. After extensive discussions, the ARC was satisfied with the measurement and disclosure of the related financial instruments in the Group's financial statements in all material aspects. The ARC also discussed with the external auditors all significant matters noted during their audit which were contained in their report to the ARC. The valuation of financial assets was a key audit matter highlighted by the auditors in their audit report and the ARC was satisfied with the extent of work performed by the auditors. Following the review and discussions, the ARC recommended to the Board to approve the full year financial statements.

CORPORATE GOVERNANCE REPORT

In reviewing non-audit services, the ARC was satisfied that the amount of non-audit services provided by the external auditors was not material and would not impair the independence of the external auditors. The ARC has confirmed that the Company has complied with Rule 712 and Rule 715 / 716 of the Listing Manual of SGX-ST which set out the requirements on the appointment of the auditors. The ARC has recommended to the Board the re-appointment of PricewaterhouseCoopers LLP as the Group's auditors for the ensuing year. The aggregate amount of fees paid/payable to PricewaterhouseCoopers LLP for FY2022 is approximately S\$315,000. The breakdown of fees paid/payable for audit and non-audit services is approximately S\$311,000 and S\$4,000 respectively. The ARC has reviewed and is satisfied with the independence and objectivity of the external auditors.

The ARC and the Board has reviewed the suitability of the external auditors, PricewaterhouseCoopers LLP for their role by assessing a wide range of factors including the quality of their work, their expertise and resources for a job involving the size and complexity of the Company's operations, and whether their own quality control procedures are dedicated to upholding the Code. The ARC has reviewed and is satisfied with the independence and objectivity of the external auditors.

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

Principle 9: Risk Management and Internal Controls

The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the Company and its shareholders.

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

The Board has overall responsibility for the governance of risk and determination of risk policies. The Board, assisted by the ARC, is responsible for determining the Company's level of risk tolerance (including the nature and extent of significant risks which the Company is willing to take in achieving its strategic objectives and value creation) and oversees the management in implementing the risk management and internal controls system.

The Risk Management Committee is chaired by the CEO and comprises the CEO, the CFO, the Group General Manager ("**GGM**"), and the Group Internal Audit Manager.

It performs the following roles:

- oversees the development of risk management policies;
- provides overall leadership, vision, framework and direction for risk management;
- promotes a risk management culture through human resources, use of technology and organisation structure;

CORPORATE GOVERNANCE REPORT

- monitors the effectiveness of risk management and makes refinements as and when necessary;
- ensures that risks are properly addressed; and
- reports to the ARC and the Board twice a year on risk management activities and attestation undertaken.

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

Risks are broadly categorised as follows:

Strategic risks

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

Operational risks

These relate to day-to-day operations and include security threats, product quality, employee attrition, capacity management, and supply disruption and concentration risk of key suppliers. The general manager of each operating unit implements policies and procedures to monitor such risks.

Compliance risks

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

Financial risks

Financial risks are mitigated by using appropriate hedging instruments when necessary and actively managing foreign exchange and credit exposures. Financial risks are monitored by the Investment Committee. Generally, the Group is conservative in its financial dealings and does not engage in speculative instruments that would expose the Group to unnecessary financial risks.

CORPORATE GOVERNANCE REPORT

Information Technology risks

In pursuit of an IT environment that is robust, resilient and secure, improving the Group's IT infrastructure continues to be the focus of IT operations. Adequate measures including proper authorisation access, back-ups systems and equipment are in place to safeguard against prolonged disruptions to businesses due to IT failures and loss of confidential data. The Group, in consultation with cyber security vendors, progressively enhances its IT infrastructure to deal with the evolving cyber risks that are presenting themselves in various forms to enhance the Group's cyber resilience. While management is cognisant of these risks, the way forward is to deal with these risks while harnessing the benefits of IT.

Emerging risk trends

While the Group's current risk management process already takes into account overall business risks, the Risk Management Committee also keeps abreast of specific emerging risk trends such as climate-related risks. In 2022, the SSC formed the Climate Change Sub-Committee to monitor market and regulatory related developments on climate reporting requirements that are consistent with the recommendations of the TCFD. The Risk Management Committee continues to assess the materiality of ESG and related risks to the Group as the ESG landscape continues to evolve.

The Board (assisted by the ARC) reviews the adequacy and effectiveness of the Group's risk management and internal control systems, including financial, operational, compliance and IT controls twice a year.

For FY2022, the Board has received assurances from:

- (a) the CEO and the CFO that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and
- (b) the CEO and the Risk Management Committee that the Group's risk management and internal control systems are adequate and effective in all material respects as at 31 December 2022.

Based on work performed by the internal and external auditors and reviews undertaken by the Risk Management Committee and the ARC, the Board, with the concurrence of the ARC, is of the opinion that the internal controls addressing financial, operational, compliance and IT risks and risk management systems and processes were adequate and effective for the Group as at 31 December 2022.

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

CORPORATE GOVERNANCE REPORT

Code of Business Conduct and Whistle Blowing Policy

The Group has in place a Code of Business Conduct that sets out the business practices, procedures and ethical conduct expected of all employees in their course of employment and in dealings with customers, suppliers and consultants. The Code of Business Conduct is sent to all employees and newly hired employees have a separate briefing on the Policy.

In line with the Code of Business Conduct, the Group has in place a Whistle Blowing Policy and process under which employees and external parties may report to the ARC any improprieties or suspected wrong-doing by management or other staff without fear of reprisal. The ARC is responsible for oversight and monitoring of whistleblowing. Whistleblowing reports marked "Private and Confidential" may be sent to the Group Internal Audit Manager at Haw Par Corporation Limited, 401 Commonwealth Drive, #03-03 Haw Par Technocentre, Singapore 149598, or via the email address or hotlines specified in the Whistle Blowing Policy. The Group is committed to ensure protection of whistleblowers who have acted in good faith against detrimental or unfair treatment. All reports received are accorded confidentiality and independently investigated by the whistleblowing unit, comprising the Human Resource Director and Group Internal Audit Manager. Details of the Whistle Blowing Policy are posted on the Company's intranet. New employees are briefed on the policy during their orientation. Existing employees are reminded of the policy from time to time in order to raise awareness of the availability of the channel of reporting. The Code of Business Conduct is effectively communicated and integrated into the Company's strategy and operations, including risk management systems and remuneration structures.

Internal Audit

The Company has an internal audit ("IA") department, which is staffed with professionally qualified personnel. The Group Internal Audit Manager reports directly to the Chairman of the ARC. The majority of the staff in the IA department are members of the Institute of Internal Auditors. The appointment, removal, evaluation of performance and compensation of the Group Internal Audit Manager rests with the ARC.

The IA function follows the Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors. The IA function adopts an Internal Audit Charter that is reviewed annually and has strict procedures in reporting its audit findings to the management and the ARC.

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

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

CORPORATE GOVERNANCE REPORT

Shareholders Rights and Engagement with Shareholders

Principle 11: Shareholder Rights and Conduct of General Meetings

The Company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the Company. The Company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Principle 12: Engagement with Shareholders

The Company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the Company.

The Group is guided by an investor relations policy which allows for an ongoing exchange of views and that aims to promote regular, effective and fair communication with shareholders. Communication of relevant announcements of the Group is generally made through annual reports, SGXNET announcements, press releases and the Group's corporate website at www.hawpar.com. In line with its sustainability efforts, the Company's Annual Report and the Notice of AGM are available through the Group's website and SGXNET and may be accessed by entering the URL set out in the Company's letter to shareholders. The URL at which the Annual Report may be accessed is also set out in the Notice of AGM. By filling in a copy of the Request Form, shareholders may request for a physical copy of the Annual Report. Physical copies of the Company's letter to shareholders, containing information on how shareholders may access electronic copies of the Annual Report, the Request Form and the Notice of AGM are circulated to all shareholders.

To allow the Company's shareholders to communicate their views on various matters affecting the Company and contact the Company with questions, and in order to solicit and understand the views of shareholders, the Company has a dedicated communications channel with the Investor Relations Department which is available to shareholders and can be reached via email at investorrelations@hawpar.com. The Investor Relations Department is required to respond to shareholders' queries in a timely and effective manner. When matters requiring shareholders' meetings are to be held, notices and reports / circulars are communicated in a timely manner to all shareholders. Shareholders are informed of the rules, including voting procedures, which govern the shareholders' meetings. The Constitution does not allow for absentia voting at general meetings, except through the appointment of a proxy or in the case of a corporation, a corporate representative, to cast the registered shareholder's vote in their stead. The results of the votes for all resolutions tabled at AGMs and other general meetings of shareholders are validated by independent scrutineers and are broadcast at the said meetings. The results are also announced on SGXNET after the meetings. The meetings' minutes are made available to shareholders at the registered office upon request within a reasonable time after each general meeting. Such minutes are also published on the Company's website and the SGXNET.

The Company's dividend policy seeks to provide shareholders with a stable and efficient form of capital distribution relative to earnings. For more than 30 years, the Company has maintained sustainable dividend payments.

The Company holds regular meetings (outside of black-out periods) with research analysts, fund managers and institutional investors to understand the views of shareholders, review the Company's performance and provide investors with a better understanding of the Group's businesses, as needed.

CORPORATE GOVERNANCE REPORT

Conduct of Shareholder Meetings

The Company gives shareholders the opportunity to participate effectively in and vote at general meetings and encourages the attendance of shareholders at general meetings. The notices of general meetings setting out the agenda, and if necessary, letters to shareholders on the items of special business, are communicated to shareholders at least 14 clear days before general meetings called to pass ordinary resolutions or 21 clear days before general meetings called to pass special resolutions. Each item of special business included in the notice of the meeting will be accompanied by a full explanation regarding the effect of the proposed resolution in respect of such business. Separate resolutions are proposed for each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal. The Chairman and Directors (in particular, the chairmen of the ARC, NC and RC) as well as the external auditors and KMPs are present at general meetings, at which matters affecting the Group, the conduct of external audit and the preparation and content of the auditors' report, are addressed. The Company Secretary ensures that the applicable procedures such as those under the Constitution and the Listing Manual of the SGX-ST are followed.

A registered shareholder who is unable to attend a general meeting can appoint up to two proxies to attend, participate and vote at the general meeting on his/her behalf. In addition, a member which is a relevant intermediary, which generally includes Singapore banks and nominee or custodial service providers, as well as the Central Provident Fund Board, may appoint more than two proxies so that shareholders who hold shares through such members can attend, participate and vote at general meetings as proxies, in accordance with the provisions of the Constitution. Investors whose shares are held through relevant intermediaries can submit their requests to attend, participate and vote at each general meeting within the stipulated time period as required by such relevant intermediaries, who will then communicate such requests to the Company not less than 72 hours before the general meeting is held.

In view of the COVID-19 pandemic, the 53rd AGM of the Company was held on 27 April 2022 via electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 and the Joint Statement of the Accounting and Corporate Regulatory Authority, Monetary Authority of Singapore, Singapore Exchange Regulation, which gave guidance on the conduct of general meetings in the midst of COVID-19 pandemic. Alternative arrangements put in place for the conduct of 53rd AGM included attendance at that AGM via electronic means (such as arrangements by which shareholders could submit questions in advance of the AGM and participate via "live" audio-visual webcast or "live" audio-only stream in the AGM, and vote by appointing the chairman of the meeting as proxy at the AGM, and the addressing of substantial and relevant questions prior to or at the AGM).

Forthcoming 2023 AGM to be convened and held by physical means

The forthcoming 2023 AGM will be held in a wholly physical format and there will be no option for shareholders to participate virtually. Arrangements relating to attendance at the 2023 AGM are set out in a separate announcement released on SGXNet.

CORPORATE GOVERNANCE REPORT

Engagement with Stakeholders

Principle 13: Managing Stakeholders Relationships

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served.

Haw Par's management approach hinges on the commitments to our key stakeholders who are identified based on the significance of their respective impacts on the Company. We believe communication with relevant stakeholders is vital to the long term success of our businesses.

The basis for determining who is considered a key stakeholder begins with understanding our value chain and thereafter determining which stakeholders Haw Par has an impact on, and conversely which stakeholders have an impact on our businesses.

For more information on our approach, please refer to our sustainability website at: www.hawpar.com/sustainability/our-approach.html

The sustainability report of the Company can be found on the Company's website at www.hawpar.com/sustainability

We welcome feedback from our stakeholders on our sustainability reports at sustainability@hawpar.com.

OTHER GOVERNANCE PRACTICES

Investment Committee

The Investment Committee ("IC") is headed by the Chairman of the Board and comprises, the Board Chairman, the Executive Director, the CFO and the GGM. The IC meets quarterly to review the performance of the Group's investments, potential acquisitions and disposals, funding requirements, key financial risks and strategic issues of each operating unit. The IC is vested with various levels of authority by the Board to carry out its duties.

The terms of reference of the IC provides authority for the IC to make decisions for transactions relating to long-term and short-term investments, unbudgeted capital expenditure, and disposal/divestment of businesses of operating entities, within the stipulated limits.

Interested Person Transactions

The Group does not have any general mandate from shareholders pursuant to Rule 920 of the Listing Manual of the SGX-ST with regard to IPTs. There were no IPTs entered into by the Group and any interested persons that require disclosure under the SGX-ST listing rules in FY2022.

Material Contracts

Except as disclosed in the financial statements, there were no other material contracts entered into by the Company or its subsidiaries involving the interests of the CEO, any Director or controlling shareholder of the Company.

CORPORATE GOVERNANCE REPORT

Dealings in Securities

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

DIRECTORS' STATEMENT

For the financial year ended 31 December 2022

The Directors present their statement to the members of the Company together with the audited financial statements of the Group for the financial year ended 31 December 2022 and the statement of financial position of the Company as at 31 December 2022.

In the opinion of the Directors,

- (a) the statement of financial position of the Company and the consolidated financial statements of the Group are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 December 2022 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

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

Wee Cho Yaw	<i>(Chairman)</i>
Wee Ee-chao	<i>(Deputy Chairman)</i>
Wee Ee Lim	<i>(President & Chief Executive Officer)</i>
Gn Hiang Meng	
Chew Choon Soo	
Low Weng Keong	
Ong Sim Ho	

Arrangements to enable Directors to acquire shares and debentures

Neither at the end of, nor at any time during the financial year was the Company a party to any arrangement whose object was, or one of whose objects was, to enable the Directors of the Company to acquire benefits by means of the acquisition of shares, warrants, share options in, or debentures of, the Company or any other body corporate, other than pursuant to the Haw Par Corporation Group 2002 Share Option Scheme ("2002 Scheme"). The 2002 Scheme ceased in 2017 with the remaining previously granted options valid until the respective expiry dates. As of 31 December 2022, all remaining share options previously granted have been exercised and there are no outstanding share options.

DIRECTORS' STATEMENT

For the financial year ended 31 December 2022

Directors' interests in shares or debentures

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

	Holdings registered in name of Director or nominee		Holdings in which Director is deemed to have an interest	
	31.12.2022	1.1.2022	31.12.2022	1.1.2022
<u>Interest in the Company's ordinary shares</u>				
Wee Cho Yaw	1,092,373	1,092,373	79,728,935	79,728,935
Wee Ee Lim	437,192	437,192	75,001,783	75,001,783
Wee Ee-chao	13,826	13,826	75,135,381	75,135,381

- (b) By virtue of Section 7 of the Companies Act 1967, Wee Cho Yaw, Wee Ee Lim and Wee Ee-chao, who by virtue of their interest of not less than 20% in the issued capital of the Company, are also deemed to have an interest in the shares of the various subsidiary companies held by the Company.
- (c) The Directors' interests in the ordinary shares and share options of the Company as at 21 January 2023 were the same as those as at 31 December 2022.

Share options

Haw Par Corporation Group 2002 Share Option Scheme

The 2002 Scheme was approved by members of the Company at an Extraordinary General Meeting held on 22 May 2002. The 2002 Scheme ceased in 2017 with the remaining previously granted options valid until the respective expiry dates. Options in respect of 6,527,000 unissued ordinary shares of the Company have been granted and accepted since the adoption of the 2002 Scheme on 22 May 2002. No options have been granted at a discount to the market price of shares of the Company. Details of the 2002 Scheme can be found in Note 5(b)(ii) to the financial statements.

During the financial year, 21,000 ordinary shares of the Company were issued by virtue of the exercise of options and no unexercised share options were cancelled. The market price on the dates of exercise ranged from \$11.80 to \$11.94 per share. There are no unissued shares covered by share options and no unexercised share options as at the end of the financial year. Further information can be found in Note 5(b)(ii) to the financial statements.

DIRECTORS' STATEMENT

For the financial year ended 31 December 2022

Share options (continued)

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

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

Gn Hiang Meng (Chairman)
Wee Cho Yaw
Chew Choon Soo

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

Name of Director	Number of shares comprised in options granted during the financial year	Aggregate number of shares comprised in options granted since commencement of scheme to 31.12.2022	Aggregate number of shares comprised in options exercised since commencement of scheme to 31.12.2022	Aggregate number of shares comprised in options that have expired since commencement of scheme to 31.12.2022	Aggregate number of shares comprised in options outstanding as at 31.12.2022
Wee Ee Lim	-	48,000	48,000	-	-

- (3) No options are granted to contemporaneous controlling members of the Company and/or their associates (as defined in the Listing Manual of Singapore Exchange Securities Trading Limited).
- (4) No participant has received 5% or more of the total number of options available under the 2002 Scheme.
- (5) No options have been granted at a discount to the market price of shares of the Company for the financial year ended 31 December 2022.
- (6) Options granted by the Company do not entitle the holders of the options, by virtue of such options, any right to participate in any share issue of any other company in the Group.

DIRECTORS' STATEMENT

For the financial year ended 31 December 2022

Audit and Risk Committee

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

Low Weng Keong (Chairman)
Gn Hiang Meng
Chew Choon Soo

In accordance with Section 201B(5) of the Companies Act, the Committee has reviewed with the Company's internal auditors their audit plan and the scope and results of their internal audit procedures. The Committee has also reviewed with the Company's independent auditor, PricewaterhouseCoopers LLP, their audit plan, their evaluation of the system of internal accounting controls, their audit report on the statement of financial position of the Company and the consolidated financial statements of the Group for the financial year ended 31 December 2022 and the assistance given by the management of the Group to them. The statement of financial position of the Company and the consolidated financial statements of the Group, as well as the independent auditor's report on the same, have been reviewed by the Committee prior to their submission to the Board of Directors.

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

Independent auditor

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

On behalf of the Directors

Wee Cho Yaw
Chairman

Wee Ee Lim
President & Chief Executive Officer

Singapore, 23 February 2023

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

For the financial year ended 31 December 2022

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 1967 (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 2022 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 financial year ended 31 December 2022;
- the consolidated statement of comprehensive income of the Group for the financial year ended 31 December 2022;
- the statements of financial position of the Group and of the Company as at 31 December 2022;
- the consolidated statement of changes in equity of the Group for the financial year then ended;
- the consolidated statement of cash flows of the Group for the financial 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.

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

For the financial year ended 31 December 2022

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 2022. 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 and long term investments (Note 9 of the financial statements)</p> <p>As at 31 December 2022, the Group's strategic and long term investments, classified as financial assets carried at fair value through other comprehensive income ("FVOCI"), amounted to \$2,844 million (2021: \$2,528 million), representing 78% and 80% (2021: 77% and 79%) of the Group's total assets and net assets respectively. These strategic and long term investments comprise primarily quoted equity investments.</p> <p>A material misstatement in the strategic and long term 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 the respective custodians, including 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>Based on the procedures performed, we found the Group's recognition of the strategic and long term investments and determination of fair values to be appropriate.</p>

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the other sections of the annual report (the "Other Sections"), which are 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 Other Sections, 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.

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

For the financial year ended 31 December 2022

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 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.

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.

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

For the financial year ended 31 December 2022

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

- 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 Choo Eng Beng.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 23 February 2023

CONSOLIDATED INCOME STATEMENT

For the financial year ended 31 December 2022

		The Group	
	Note	2022	2021
		\$'000	\$'000
Revenue	3	182,092	141,180
Cost of sales		(83,526)	(67,538)
Gross profit		98,566	73,642
Other income	3	112,990	88,288
Distribution and marketing expenses		(36,167)	(38,343)
General and administrative expenses		(19,020)	(10,602)
Finance expenses		(525)	(27)
Share of profit of associated company		3,125	3,222
Profit before taxation		158,969	116,180
Taxation	6	(10,653)	(6,077)
Profit for the financial year, net of tax		148,316	110,103
Earnings per share attributable to equity holders of the Company	8		
- Basic		67.0 cents	49.8 cents
- Diluted		67.0 cents	49.8 cents

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2022

	The Group	
	2022	2021
	\$'000	\$'000
Profit for the financial year, net of tax	148,316	110,103
Other comprehensive income/(loss)		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Currency translation differences on consolidation of foreign entities (net)	(4,060)	201
<i>Items that will not be reclassified subsequently to profit or loss:</i>		
Fair value changes on investments (net)	259,186	280,913
Other comprehensive income for the financial year, net of tax	255,126	281,114
Total comprehensive income for the financial year	403,442	391,217

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

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2022

	Note	The Group		The Company	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
ASSETS					
Cash and bank balances	14	334,268	596,226	218,112	487,058
Investment in debt securities	10	294,957	-	-	-
Trade and other receivables	14	26,871	32,159	368,054	29,634
Inventories	14	19,248	13,175	-	-
Tax recoverable		197	523	-	-
Deferred income tax assets	6	3,130	4,283	-	-
Associated company	17	15,769	13,044	2,895	2,895
Subsidiaries	17	-	-	562,561	562,561
Investment properties	13	50,056	53,070	-	-
Property, plant and equipment	12	50,397	31,984	-	-
Intangible assets	11	11,116	11,116	-	-
Strategic and long term investments	9	2,844,117	2,527,981	-	-
Total assets		3,650,126	3,283,561	1,151,622	1,082,148
LIABILITIES					
Trade and other payables	14	64,538	65,667	57,636	61,092
Borrowings	14	28,501	-	28,501	-
Current income tax liabilities		7,458	5,524	1,150	544
Deferred income tax liabilities	6	912	894	-	-
Total liabilities		101,409	72,085	87,287	61,636
NET ASSETS		3,548,717	3,211,476	1,064,335	1,020,512
EQUITY					
Equity attributable to equity holders of the Company					
Share capital	15	268,911	268,702	268,911	268,702
Retained profits		1,300,436	1,218,753	795,298	751,684
Other reserves		1,979,370	1,724,021	126	126
Total equity		3,548,717	3,211,476	1,064,335	1,020,512

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2022

	← Attributable to equity holders of the Company →						Total equity
	Share capital	Statutory reserve ¹	Capital reserve	Fair value reserve	Foreign currency translation reserve	Retained profits	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2022							
Balance at 1 January 2022	268,702	2,507	38	1,720,803	673	1,218,753	3,211,476
Issue of share capital	209	-	-	-	-	-	209
Transfer from retained profits to statutory reserve	-	223	-	-	-	(223)	-
Dividends paid (Note 7)	-	-	-	-	-	(66,410)	(66,410)
Total comprehensive income/(loss) for the financial year	-	-	-	259,186	(4,060)	148,316	403,442
Balance at 31 December 2022	268,911	2,730	38	1,979,989	(3,387)	1,300,436	3,548,717
2021							
Balance at 1 January 2021	267,232	2,389	38	1,439,648	472	1,175,387	2,885,166
Issue of share capital	1,470	-	-	-	-	-	1,470
Transfer from retained profits to statutory reserve	-	118	-	-	-	(118)	-
Transfer of cumulative loss on disposal of investments to retained profits	-	-	-	242	-	(242)	-
Dividends paid (Note 7)	-	-	-	-	-	(66,377)	(66,377)
Total comprehensive income for the financial year	-	-	-	280,913	201	110,103	391,217
Balance at 31 December 2021	268,702	2,507	38	1,720,803	673	1,218,753	3,211,476

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

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2022

	Note	The Group	
		2022 \$'000	2021 \$'000
Cash flows from operating activities			
Profit before tax		158,969	116,180
Adjustments for:			
Dividend income	3	(103,970)	(84,909)
Interest income	3	(7,779)	(1,659)
Depreciation of property, plant and equipment and investment properties		5,684	6,463
Write-back of unclaimed dividends		(517)	(270)
Share of profit of associated company		(3,125)	(3,222)
Finance expenses		525	27
Inventories written down	14	45	399
Loss on disposal and write-off of property, plant and equipment		22	12
Unrealised currency translation losses/(gains)		1,966	(226)
Operating profit before working capital changes		51,820	32,795
Changes in working capital:			
- inventories		(6,118)	1,749
- trade and other receivables		6,527	(17,590)
- trade and other payables		(4,168)	9,863
Cash generated from operations		48,061	26,817
Net taxation paid		(7,119)	(7,976)
Net cash from operating activities		40,942	18,841
Cash flows from investing activities			
Purchase of debt securities		(292,787)	-
Dividend income received		103,636	84,909
Purchase of long term investments		(57,425)	-
Purchase of property, plant and equipment		(19,734)	(4,383)
Interest income received		4,357	1,512
Dividends from associated company		400	400
Improvements to investment properties		(30)	(466)
Proceeds from disposal of investments	9	-	5,541
Proceeds from disposal of property, plant and equipment		-	3
Net cash (used in)/from investing activities		(261,583)	87,516
Cash flows from financing activities			
Payment of dividends to members of the Company	7	(66,410)	(66,377)
Proceeds from borrowings		61,236	-
Repayment of borrowings		(32,284)	-
Interest paid on borrowings and lease liabilities		(341)	(27)
Bank deposits pledged		(297)	(6)
Proceeds from issuance of share capital for share options exercised	15	209	1,470
Principal payment of lease liabilities		(179)	(175)
Net cash used in financing activities		(38,066)	(65,115)
Net (decrease)/increase in cash and cash equivalents		(258,707)	41,242
Cash and cash equivalents at beginning of the financial year		596,024	554,204
Effects of currency translation on cash and cash equivalents		(3,539)	578
Cash and cash equivalents at end of the financial year	14	333,778	596,024

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

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

1. General

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

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

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

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

The principal activities of the Group are as follows:

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

Principal activities of significant subsidiaries are listed in Note 17.

2. Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)s") issued by the Accounting Standards Council. The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies in Note 18.

The preparation of financial statements in conformity with SFRS(I) requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. There are no areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are significant to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

2. Basis of preparation (continued)

(a) Interpretations and amendments to published standards effective in 2022

On 1 January 2022, the Group has adopted the new or amended SFRS(I) and Interpretations to SFRS(I) ("INT SFRS(I)") 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 SFRS(I)s and INT SFRS(I)s including the following:

- Amendments to SFRS(I) 3 *Business Combinations*
- Amendments to SFRS(I) 1-16 *Property, Plant and Equipment*
- Amendments to SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets*
- Annual improvements to SFRS(I)s 2018-2020

The adoption of new standards, amendments to standards and interpretations did not result in any substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

(b) New accounting standards and SFRS(I) Interpretations and Amendments effective in 2023 or after

Effective for financial periods beginning on or after 1 January 2023

- Amendments to SFRS(I) 1-1 *Presentation of Financial Statements*
- Amendments to SFRS(I) 1-8 *Accounting Policies, Changes in Accounting Estimates and Errors*
- Amendments to SFRS(I) 1-12 *Income Taxes*

The new standards are not expected to have any material impact on the financial statements.

3. Segmental reporting

The Group is organised into the following main business segments:

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

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

Investment division engages in long term investing activities, mainly in quoted securities in Asia. These investments are accounted for as financial assets at fair value through other comprehensive income (FVOCI).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

3. Segmental reporting (continued)

Property division owns and leases out several investment properties in Asia.

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

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

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

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

The Group's reportable segments comprise three segments, namely "Healthcare segment", "Investments segment" and an "Others segment" which aggregates the results of the property and leisure divisions. The Group considers its reportable segments based on contribution to either the Group's revenue and other income, profit or assets. These operating segments are reported in a manner consistent with internal reporting provided to the management committee and Investment Committee whose members are responsible for allocating resources and assessing performance of the operating segments.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

3. Segmental reporting (continued)

(a) Reportable segments

	Healthcare products	Investments	Others¹	Consolidated
	\$'000	\$'000	\$'000	\$'000
2022				
Total segment revenue	164,059	-	18,992	183,051
Inter-segment revenue	-	-	(959)	(959)
Revenue from external parties	164,059	-	18,033	182,092
Dividend income	-	103,970	-	103,970
Interest income	-	7,779	-	7,779
Miscellaneous income	204	541	496	1,241
Total other income	204	112,290	496	112,990
Total revenue and other income	<u>164,263</u>	<u>112,290</u>	<u>18,529</u>	<u>295,082</u>
Depreciation	3,056	105	2,523	5,684
Finance expenses	24	501	-	525
Segment profit	<u>40,209</u>	<u>110,604</u>	<u>10,311</u>	<u>161,124</u>
Unallocated expenses				(5,280)
Share of profit of associated company	-	3,125	-	<u>3,125</u>
Profit before taxation				158,969
Taxation				(10,653)
Earnings for the financial year				<u>148,316</u>
Segment assets	<u>123,524</u>	<u>3,470,125</u>	<u>53,150</u>	<u>3,646,799</u>
Tax recoverable				197
Deferred income tax assets				<u>3,130</u>
Total assets per statement of financial position				<u>3,650,126</u>
Expenditures for segment non-current assets				
- Additions to property, plant and equipment	23,219	61	64	23,344
- Investment properties improvements	-	-	13	13
	<u>23,219</u>	<u>61</u>	<u>77</u>	<u>23,357</u>
Segment liabilities	<u>51,561</u>	<u>35,790</u>	<u>5,688</u>	<u>93,039</u>
Current income tax liabilities				7,458
Deferred income tax liabilities				<u>912</u>
Total liabilities per statement of financial position				<u>101,409</u>

¹ Included in "Others" are property and leisure divisions which constitute less than 25% of the Group's revenue and other income.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

3. Segmental reporting (continued)

(a) Reportable segments (continued)

	Healthcare products \$'000	Investments \$'000	Others ¹ \$'000	Consolidated \$'000
2021				
Total segment revenue	124,440	-	17,632	142,072
Inter-segment revenue	-	-	(892)	(892)
Revenue from external parties	124,440	-	16,740	141,180
Dividend income	-	84,909	-	84,909
Interest income	-	1,659	-	1,659
Miscellaneous income	844	321	555	1,720
Total other income	844	86,889	555	88,288
Total revenue and other income	125,284	86,889	17,295	229,468
Depreciation	3,120	116	3,227	6,463
Finance expenses	27	-	-	27
Segment profit	21,328	87,888	8,878	118,094
Unallocated expenses				(5,136)
Share of profit of associated company	-	3,222	-	3,222
Profit before taxation				116,180
Taxation				(6,077)
Earnings for the financial year				110,103
Segment assets	180,868	3,040,452	57,435	3,278,755
Tax recoverable				523
Deferred income tax assets				4,283
Total assets per statement of financial position				3,283,561
Expenditures for segment non-current assets				
- Additions to property, plant and equipment	4,316	69	45	4,430
- Investment properties improvements	-	-	113	113
	4,316	69	158	4,543
Segment liabilities	53,359	6,724	5,584	65,667
Current income tax liabilities				5,524
Deferred income tax liabilities				894
Total liabilities per statement of financial position				72,085

¹ Included in "Others" are property and leisure divisions which constitute less than 25% of the Group's revenue and other income.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

3. Segmental reporting (continued)

(a) Reportable segments (continued)

Revenue consists of the following:

	The Group	
	2022	2021
	\$'000	\$'000
Sale of goods	164,527	124,500
Rendering of services	1,949	212
Rental income	15,616	16,468
Total revenue	182,092	141,180

(b) Geographical information (excluding strategic and long term investments)

	The Group	
	2022	2021
	\$'000	\$'000
Revenue ⁽ⁱ⁾		
Singapore	27,196	17,654
Other ASEAN countries	39,618	15,610
Other Asian countries	59,600	50,934
Other countries	55,678	56,982
Total	182,092	141,180
Non-current assets ⁽ⁱⁱ⁾		
Singapore	73,000	73,862
Malaysia	45,842	25,187
Other ASEAN countries	321	365
Other Asian countries	8,175	9,800
Total	127,338	109,214

⁽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.

Except for rental income of \$15,616,000 (2021: \$16,468,000) which is mainly earned in Singapore, the remaining revenue by segment relates to revenue from contracts with customers under SFRS(I) 15.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

3. Segmental reporting (continued)

(c) Major customers

Revenue of approximately \$60,523,000 (2021: \$46,366,000) was contributed from two external customers (2021: two external customers). These revenues are attributable to the sale of Healthcare products to distributors belonging to the same group of companies.

4. Financial risk management

Financial risk factors

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

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

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

(a) Foreign currency risk

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

4. Financial risk management (continued)

(a) Foreign currency risk (continued)

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

	USD \$'000	HKD \$'000	EUR \$'000	Others \$'000	Total \$'000
Group					
<u>At 31 December 2022</u>					
Cash and cash equivalents and financial assets (FVOCI)	59,165	59,648	11,770	13,149	143,732
Borrowings	-	(28,501)	-	-	(28,501)
Currency exposure on financial assets and liabilities	59,165	31,147	11,770	13,149	115,231

	USD \$'000	EUR \$'000	Others \$'000	Total \$'000
<u>At 31 December 2021</u>				
Cash and cash equivalents and financial assets (FVOCI)	73,363	12,067	8,756	94,186
Currency exposure on financial assets and liabilities	73,363	12,067	8,756	94,186

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

	HKD \$'000	Others \$'000	Total \$'000
Company			
<u>At 31 December 2022</u>			
Cash and cash equivalents	1,178	9	1,187
Borrowings	(28,501)	-	(28,501)
Currency exposure on financial assets and liabilities	(27,323)	9	(27,314)

	USD \$'000	Others \$'000	Total \$'000
<u>At 31 December 2021</u>			
Cash and cash equivalents	20,468	-	20,468
Currency exposure on financial assets and liabilities	20,468	-	20,468

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

4. Financial risk management (continued)

(a) Foreign currency risk (continued)

A 10% (2021: 10%) weakening of Singapore Dollar against the following currencies at reporting date would increase/(decrease) profit or loss or other comprehensive income by the amounts shown below, with all other variables including tax rate being held constant:

	USD \$'000	HKD \$'000	EUR \$'000	Others \$'000	Total \$'000
Group					
<u>At 31 December 2022</u>					
Profit or loss, after tax	4,551	119	964	1,077	6,711
Other comprehensive income	361	2,996	-	-	3,357
<hr/>					
	USD \$'000	EUR \$'000	Others \$'000	Total \$'000	
<u>At 31 December 2021</u>					
Profit or loss, after tax		5,716	913	663	7,292
Other comprehensive income		442	-	-	442
<hr/>					
		HKD \$'000	Others \$'000	Total \$'000	
Company					
<u>At 31 December 2022</u>					
Profit or loss, after tax		(2,732)	1	(2,731)	
<hr/>					
		USD \$'000	Others \$'000	Total \$'000	
<u>At 31 December 2021</u>					
Profit or loss, after tax		2,047	-	2,047	
<hr/>					

A 10% (2021: 10%) strengthening of Singapore Dollar against the above currencies would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

4. Financial risk management (continued)

(b) Credit risk

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

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

The Group considers the probability of default upon initial recognition of the asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. It considers available reasonable and supportive forwarding-looking information including

- External credit rating;
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations; and
- Significant delay in the payment status of counterparty.

A significant increase in credit risk is presumed if a debtor is more than 3 months past due in making a contractual payment.

A default on a financial asset is when the counterparty fails to make contractual payments within 12 months of when they fall due and there is no reasonable expectation of recovery.

(c) Interest rate risk

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

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

Details of various risk exposure in terms of market price risk and credit risk, can be found in Notes 9(a) and 14(b) respectively.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

4. Financial risk management (continued)

(d) Financial instruments by category

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

	Note	The Group		The Company	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Financial Assets					
Strategic and long term investments (FVOCI)	9	2,844,117	2,527,981	-	-
Investment in debt securities (Amortised cost)	10	294,957	-	-	-
Cash and bank balances and trade and other receivables (Amortised cost)		357,886	625,029	586,147	516,675
		3,496,960	3,153,010	586,147	516,675
Financial Liabilities					
Trade and other payables and borrowings (Amortised cost)		93,039	65,667	86,137	61,092

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

5. Expenses

(a) Breakdown by expenses

	The Group	
	2022	2021
	\$'000	\$'000
Purchase of inventories	51,268	33,200
Changes in inventories	(6,118)	1,749
	45,150	34,949
Sales and marketing expenses	30,809	32,149
Employee costs (Note 5(b))	31,195	25,652
Depreciation		
- property, plant and equipment (Note 12)	3,240	3,803
- investment properties (Note 13)	2,444	2,660
Repair and maintenance	2,354	1,696
Utilities	2,687	1,759
Property tax	2,092	2,078
Professional and legal fees	1,046	909
Auditors' remuneration:		
- Auditor of the Company:		
- audit fees	311	296
- non-audit fees	4	4
- Other auditors:		
- audit fees	29	26
- non-audit fees	9	6
- overprovision of audit fees in respect of prior year	(2)	(15)
Trademark expenses	292	275
Inventories written down	45	399
Finance expenses		
- borrowings	501	-
- lease liabilities	24	27
Loss on disposal and write-off of property, plant and equipment	22	12
Foreign exchange loss/(gain), net	2,441	(921)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

5. Expenses (continued)

(b) Employee benefits

(i) Employee costs (including Executive Director)

	The Group	
	2022	2021
	\$'000	\$'000
Salaries and other short-term employee benefits (including directors' fees)	29,061	23,316
- Key management	5,248	4,238
- Other employees	23,813	19,078
Employer's contribution to Central Provident Fund and other defined contribution plans	2,134	2,336
- Key management	86	84
- Other employees	2,048	2,252
	31,195	25,652

Total compensation to Directors of the Company included in the above amounted to \$3,034,000 (2021: \$2,471,000).

- (ii) The Haw Par Corporation Group 2002 Share Option Scheme was approved by members of the Company on 22 May 2002 and further extended to 2017 on 20 April 2011. The 2002 Scheme granted non-transferable options to selected employees and includes the participation by the non-executive directors. The maximum life-span of exercising the options is 10 years (exercise period). The options are exercisable beginning on the first anniversary from the date when the options are granted or the second anniversary if the options are granted at a discount to the market price. The options may be exercised in full or in part in respect of 1,000 shares or any multiple thereof, on the payment of the exercise price. The Group has no legal or constructive obligation to repurchase or settle the options in cash. The scheme ceased in 2017 and no options were granted since. The previously granted options remained valid until the respective expiry dates and no later than 28 February 2022.

	Number of shares	
	2022	2021
Under 2002 Scheme:		
Outstanding at beginning of the financial year	21,000	177,000
Cancelled/ Expired/ Not accepted	-	-
Exercised	(21,000)	(156,000)
Outstanding at end of the financial year	-	21,000
Exercisable at end of the financial year	-	21,000

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

5. Expenses (continued)

(b) Employee benefits (continued)

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

Date of grant	Number of shares covered by the options				Balance at end of financial year	Exercise Price	Exercise period
	Balance at beginning of financial year	Granted during financial year	Cancelled/ Expired/ Not accepted	Exercised			
2022							
1.3.2017	21,000	-	-	(21,000)	-	\$9.96	1.3.2018 - 28.2.2022
	21,000	-	-	(21,000)	-		
2021							
4.3.2016	43,000	-	-	(43,000)	-	\$8.00	4.3.2017 - 3.3.2021
1.3.2017	134,000	-	-	(113,000)	21,000	\$9.96	1.3.2018 - 28.2.2022
	177,000	-	-	(156,000)	21,000		

Upon the cessation of the 2002 Scheme, a cash-based long term incentive plan was put in place from 2018 for selected executives.

(c) Related parties transactions

There are no other material related party transactions apart from those disclosed elsewhere in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

6. Taxation

(a) Tax expense

Tax expense attributable to profit is made up of:

Current taxation

Current year:

- Singapore
- Overseas

(Over)/under provision in respect of previous years:

- Singapore
- Overseas

Deferred taxation

Origination and reversal of temporary differences:

- Singapore
- Overseas

Under provision in respect of previous years:

- Singapore
- Overseas

The Group	
2022	2021
\$'000	\$'000
7,137	5,417
2,563	1,525
9,700	6,942
(60)	5
57	(13)
(3)	(8)
28	50
857	(989)
885	(939)
55	75
16	7
71	82
10,653	6,077

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

6. Taxation (continued)

(a) Tax expense (continued)

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

	<u>The Group</u>	
	<u>2022</u>	2021
	<u>\$'000</u>	\$'000
Profit before taxation	158,969	116,180
Share of profit of associated company	(3,125)	(3,222)
Profit before taxation and share of profit of associated company	155,844	112,958
Taxation at applicable Singapore tax rate of 17% (2021: 17%)	26,493	19,203
Adjustments:		
- Tax rate difference in foreign subsidiaries	674	157
- Withholding taxes	596	201
- Tax effect of expenses not deductible for tax purposes	1,619	983
- Tax effect of income not subject to tax	(18,250)	(14,619)
- Tax rebates, exemptions and incentives	(340)	(166)
- Utilisation of previously unrecognised deferred taxes	(233)	(2)
- Deferred income tax asset not recognised	26	246
- Under provision in respect of previous years	68	74
Taxation expense	10,653	6,077

(b) Deferred tax

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

	<u>The Group</u>	
	<u>2022</u>	2021
	<u>\$'000</u>	\$'000
Deferred tax liabilities	912	894
Deferred tax assets	(3,130)	(4,283)
	(2,218)	(3,389)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

6. Taxation (continued)

(b) Deferred tax (continued)

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

The Group	Deferred income tax liabilities		Deferred income tax assets			Net
	Accelerated tax depreciation	Total	Provisions	Others	Total	
	\$'000	\$'000	\$'000	\$'000	\$'000	
2022						
Beginning of financial year	1,132	1,132	(3,058)	(1,463)	(4,521)	(3,389)
Charged/(credited) to profit or loss	-	-	1,385	(429)	956	956
Currency translation differences	(14)	(14)	163	66	229	215
End of financial year	1,118	1,118	(1,510)	(1,826)	(3,336)	(2,218)
2021						
Beginning of financial year	1,080	1,080	(3,782)	(72)	(3,854)	(2,774)
Charged/(credited) to profit or loss	59	59	476	(1,392)	(916)	(857)
Currency translation differences	(7)	(7)	248	1	249	242
End of financial year	1,132	1,132	(3,058)	(1,463)	(4,521)	(3,389)

Deferred income tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group has unrecognised deferred income tax assets arising from tax losses of \$23.5 million (2021: \$24.7 million) at the end of the reporting period. These tax losses can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies in their respective countries of incorporation. These tax losses have no expiry date except for \$1.0 million which will expire between 2023 and 2027 (2021: \$2.2 million which will expire between 2022 and 2026).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

7. Dividends

	<u>The Group</u>	
	2022	2021
	\$'000	\$'000
<i>Ordinary dividends paid:</i>		
Final exempt 2021 dividend of 15 cents per share (2021: Final exempt 2020 dividend of 15 cents per share)	33,205	33,188
Interim exempt 2022 dividend of 15 cents per share (2021: Interim exempt 2021 dividend of 15 cents per share)	33,205	33,189
	66,410	66,377
	30 cents	30 cents

Final dividends to the Company's shareholders are recognised when the dividends are approved by the shareholders. The Directors recommend a final tax exempt one-tier dividend of 15 cents per share, amounting to approximately \$33.2 million to be paid for the financial year ended 31 December 2022 (2021: 15 cents per share, amounting to approximately \$33.2 million). These financial statements do not reflect the proposed final tax exempt dividends, which will be accounted for in the shareholders' equity as an appropriation of retained profits in the financial year ending 31 December 2023.

In accordance with the Constitution of the Company, unclaimed dividends outstanding for more than 6 years of about \$517,000 (2021: \$270,000) were written back.

8. Earnings per share

	<u>The Group</u>	
	2022	2021
	\$'000	\$'000
Earnings for the financial year	148,316	110,103
	'000	'000
Weighted average number of ordinary shares for calculation of basic earnings per share	221,368	221,273
Dilution adjustment for share options	-	20
Adjusted weighted average number of shares for calculation of diluted earnings per share	221,368	221,293
<i>Earnings per share attributable to equity holders of the Company</i>		
- Basic	67.0 cents	49.8 cents
- Diluted	67.0 cents	49.8 cents

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

8. Earnings per share (continued)

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

The diluted earnings per share is adjusted for the effects of all dilutive potential ordinary shares. The Company has one category of dilutive potential ordinary shares which is share options whose impact on earnings per share is not material. As of 31 December 2022, there were no share options outstanding.

9. Strategic and long term investments

Strategic and long term investments comprise of financial assets at fair value through other comprehensive income as follows:

	The Group	
	2022	2021
	\$'000	\$'000
<u>Strategic investments</u>		
United Overseas Bank Limited	2,297,912	2,013,480
UOL Group Limited	484,140	510,077
	2,782,052	2,523,557
Other long term investments	62,065	4,424
	2,844,117	2,527,981

- (a) The market price risk associated with these investments is the potential gain or loss in fair value resulting from the change in market prices of these securities. If prices for equity securities listed in Singapore and listed overseas change by 10% (2021: 10%) with all other variables including tax rate being held constant, the Group's equity and other comprehensive income will be affected by:

	2022	2021
	\$'000	\$'000
<u>Listed in Singapore</u>		
- increased by	278,205	252,356
- decreased by	(278,205)	(252,356)
<u>Listed overseas</u>		
- increased by	5,846	-
- decreased by	(5,846)	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

9. Strategic and long term investments (continued)

- (b) In 2021, the Group disposed of an equity investment in a listed company that was compulsorily acquired by its majority shareholder and privatised. The investment had a fair value of approximately \$5,541,000 at the date of disposal. The cumulative loss on disposal of \$242,000 was reclassified from fair value reserve to retained profits.
- (c) The Group holds a 10% interest in a company, Hua Han Health Industry Holdings Limited ("Hua Han"), which was previously listed on Hong Kong Stock Exchange ("HKSE") but trading in its shares had been suspended since September 2016. In 2019, provisional liquidators were appointed and the Hong Kong High Court ordered that the company be wound up. During the 2020 financial year, the HKSE informed Hua Han that its Listing Committee had decided to cancel the Hua Han's listing and the listing of its shares was cancelled on 16 December 2020. As at 31 December 2022, the liquidation is still ongoing.

Due to the prolonged lack of clarity on its financial status and based on the latest available public information, management has continued to assess the fair value of this investment to be nil (2021: nil).

10. Investment in debt securities

	<u>The Group</u> 2022 \$'000
Singapore Government Treasury Bills	<u>294,957</u>

Singapore Government Treasury Bills are classified and measured at amortised cost. The carrying amounts approximate their fair values as they will mature within 12 months from the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

11. Intangible assets

	The Group		The Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Goodwill on consolidation	11,116	11,116	-	-
Trademarks	-	-	-	-
	11,116	11,116	-	-

(a) Goodwill on consolidation

	The Group	
	2022 \$'000	2021 \$'000
Cost		
Balance at beginning and end of financial year	11,116	11,116

Impairment test for goodwill

Goodwill arose from the privatisation of Haw Par Healthcare Limited in 2003. The goodwill is allocated to the healthcare division of the Group, which is regarded as a cash-generating unit ("CGU").

During the financial year, the Group has determined that there was no impairment of its CGU containing the goodwill given the profitability of the healthcare division (See Note 3). The recoverable amount (i.e. higher of value-in-use and fair value less costs to sell) of the CGU is determined on the basis of value-in-use calculations. These calculations incorporate cash flow projections by management covering a five-year period.

Key assumptions used for value-in-use calculations:

Discount rate	12.1%	(2021: 13.6%) per annum
Growth rate	0.0%	(2021: 0.0%) per annum

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

(b) Trademarks

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

12. Property, plant and equipment

	Land and buildings	Plant and equipment	Assets under construction	Total
	\$'000	\$'000	\$'000	\$'000
<u>The Group</u>				
<i>Cost</i>				
At 1 January 2022	38,405	40,557	3,545	82,507
Additions	126	685	22,533	23,344
Transfer	-	20	(20)	-
Disposals/write-offs	(288)	(443)	-	(731)
Currency translation differences	(1,746)	(1,089)	(401)	(3,236)
At 31 December 2022	36,497	39,730	25,657	101,884
<i>Accumulated depreciation</i>				
At 1 January 2022	20,166	30,357	-	50,523
Depreciation charge for the year	600	2,640	-	3,240
Disposals/write-offs	(288)	(421)	-	(709)
Currency translation differences	(655)	(912)	-	(1,567)
At 31 December 2022	19,823	31,664	-	51,487
<i>Net book value</i>				
At 31 December 2022	16,674	8,066	25,657	50,397
<i>Cost</i>				
At 1 January 2021	38,452	40,104	-	78,556
Additions	306	570	3,554	4,430
Disposals/write-offs	-	(326)	-	(326)
Currency translation differences	(353)	209	(9)	(153)
At 31 December 2021	38,405	40,557	3,545	82,507
<i>Accumulated depreciation</i>				
At 1 January 2021	19,741	27,747	-	47,488
Depreciation charge for the year	1,055	2,748	-	3,803
Disposals/write-offs	-	(311)	-	(311)
Currency translation differences	(630)	173	-	(457)
At 31 December 2021	20,166	30,357	-	50,523
<i>Net book value</i>				
At 31 December 2021	18,239	10,200	3,545	31,984

Included in land and buildings is freehold land amounting to \$7,278,000 (2021: \$7,632,000).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

12. Property, plant and equipment (continued)

Leases – The Group as a lessee

The Group leases land, building and office space for its operations. The right-of-use of assets under leasing arrangements are presented together with the owned assets of the same class.

- (i) Carrying amounts and movement of right-of-use assets classified within property, plant and equipment:

	Land and buildings	Plant and equipment	Total
	\$'000	\$'000	\$'000
At 1 January 2022	1,647	23	1,670
Additions	126	–	126
Currency translation differences	(92)	–	(92)
Depreciation expense	(187)	(23)	(210)
At 31 December 2022	1,494	–	1,494
At 1 January 2021	1,781	–	1,781
Additions	–	47	47
Currency translation differences	48	–	48
Depreciation expense	(182)	(24)	(206)
At 31 December 2021	1,647	23	1,670

- (ii) Expenses relating to short-term and low-value leases not recognised as right-of-use assets and lease liabilities amounted to \$188,000 (2021: \$168,000) and \$32,000 (2021: \$30,000) respectively. Total cash outflow for all leases was \$423,000 (2021: \$400,000).
- (iii) Certain property leases contain extension options exercisable by the Group, for which the related lease payments had not been included in lease liabilities as the Group is not certain whether to exercise the extension option. Where practicable, the Group negotiates to include extension options in leases to provide operational flexibility.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

13. Investment properties

The Group's investment properties consist of both commercial and industrial properties, held for long-term rental yields and/or capital appreciation and are not substantially occupied by the Group. They are mainly leased to third parties under operating leases.

	The Group	
	2022	2021
	\$'000	\$'000
<i>Cost</i>		
Beginning of financial year	126,102	126,489
Improvements	13	113
Disposals/write-offs	(46)	-
Currency translation differences	(1,253)	(500)
End of financial year	124,816	126,102
<i>Accumulated depreciation and impairment losses</i>		
Beginning of financial year	73,032	70,619
Depreciation charge for the year	2,444	2,660
Disposals/write-offs	(46)	-
Currency translation differences	(670)	(247)
End of financial year	74,760	73,032
<i>Net book value</i>		
As at 31 December	50,056	53,070
At valuation:		
Freehold properties	32,956	35,013
Leasehold properties	183,800	180,500

(a) Valuation

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

The fair value of the Group's investment properties is determined based on significant unobservable inputs and categorised under Level 3 of the fair value measurement hierarchy. Level 3 fair value has been derived using the income capitalisation approach where the net rental income after property tax is capitalised at a rate which reflects the present and potential income growth over the unexpired lease term. The most significant input into the income capitalisation valuation approach is the capitalisation rate of 5.25% to 7% (2021: 5.25% to 7%) per annum.

An increase in capitalisation rate will result in a decrease to the fair value of the investment property.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

13. Investment properties (continued)

(b) The following amounts are recognised in profit or loss:

	The Group	
	2022	2021
	\$'000	\$'000
Rental income (Note 3)	15,616	16,468
Direct operating expenses arising from investment properties that generated rental income	(7,220)	(7,195)

(c) Certain investment properties with a carrying value of \$38,099,000 (2021: \$40,068,000) and fair value of \$183,800,000 (2021: \$180,500,000) are pledged to the banks as security for bank credit facilities.

(d) The details of the Group's investment properties as at 31 December 2022 are as follows:

Investment properties	Description	Tenure of land	Independent valuer
Haw Par Glass Tower 178 Clemenceau Avenue Singapore 239926	9-storey office building on a land area of 899 square metres. The lettable area is 3,316 square metres.	99-year lease from 2 June 1970	Edmund Tie & Company (SEA) Pte Ltd
Haw Par Centre 180 Clemenceau Avenue Singapore 239922	6-storey office building on a land area of 2,464 square metres. The lettable area is 10,133 square metres.	99-year lease from 1 September 1952	Edmund Tie & Company (SEA) Pte Ltd
Haw Par Technocentre 401 Commonwealth Drive Singapore 149598	7-storey industrial building on a land area of 8,131 square metres. The lettable area is 15,707 square metres.	99-year lease from 1 March 1963	Edmund Tie & Company (SEA) Pte Ltd
Menara Haw Par Lot 242, Jalan Sultan Ismail, 50250 Kuala Lumpur Malaysia	32-storey office building on a land area of 2,636 square metres and a parcel of commercial land of 1,294 square metres. The lettable area of the building is 16,131 square metres.	Freehold	Nawawi Tie Leung Property Consultants Sdn Bhd

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

13. Investment properties (continued)

- (e) Investment properties are tenanted under non-cancellable lease arrangements. Future undiscounted lease payments to be received from the operating leases as of 31 December are as follows:

	<u>The Group</u>	
	2022 \$'000	2021 \$'000
Less than one year	14,098	13,884
One to two years	10,047	7,576
Two to three years	6,315	3,146
Three to four years	1,626	1,638
Four to five years	324	1,443
After five years	1,110	1,434
Total undiscounted lease payment	<u>33,520</u>	<u>29,121</u>

14. Working capital balances

- (a) Cash and bank balances

	<u>The Group</u>		<u>The Company</u>	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Short term bank deposits	298,525	573,939	215,130	484,790
Cash at bank and on-hand	35,743	22,287	2,982	2,268
	<u>334,268</u>	<u>596,226</u>	<u>218,112</u>	<u>487,058</u>

The cash and deposits, together with the available unutilised credit facilities, are expected to be sufficient to meet the funding requirements of the Group's operations.

Included in the cash and bank balances are bank deposits and cash on hand amounting to \$21,116,000 (2021: \$31,441,000) which are not freely remittable for use by the Group because of currency exchange restrictions. Bank deposits are considered to have low credit risk as they are placed with banks with high credit-ratings assigned by international credit rating agencies.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

14. Working capital balances (continued)

(a) Cash and bank balances (continued)

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

	<u>The Group</u>	
	2022	2021
	\$'000	\$'000
Cash and bank balances (as above)	334,268	596,226
Less: Bank deposits pledged for banking facilities	(490)	(202)
Cash and cash equivalents per consolidated statement of cash flows	<u>333,778</u>	<u>596,024</u>

(b) Trade and other receivables

	<u>The Group</u>		<u>The Company</u>	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Trade receivables	18,968	25,658	3,322	2,609
Advances to subsidiaries	-	-	363,437	26,472
Other receivables	7,903	6,501	1,295	553
	<u>26,871</u>	<u>32,159</u>	<u>368,054</u>	<u>29,634</u>

The Group's other receivables mainly comprise other debtors and deposits of approximately \$2,969,000 (2021: approximately \$2,720,000).

As at 1 January 2021, the Group and the Company's trade receivables amounted to \$11,399,000 and \$2,251,000 respectively.

Advances to subsidiaries by the Company are non-trade, unsecured, interest-free and are repayable on demand.

The carrying amounts of advances, trade and other receivables approximate their fair values as they are expected to be recovered within 12 months from the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

14. Working capital balances (continued)

(b) Trade and other receivables (continued)

(i) *Credit risk*

The Group applies the simplified approach to providing for expected credit losses, which permits the use of the lifetime expected loss provision for all trade receivables. The expected loss on trade receivables at the reporting date is insignificant as majority of the balances are current. The loss allowance provision as at 31 December is determined as follows:

<u>The Group</u>	Current	Past due within 1 month	Past due 1 to 3 months	Past due more than 3 months	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
2022					
Expected loss rate	-%	-%	-%	1%	
Gross carrying amount	18,753	10	205	-	18,968
Loss allowance provision	-	-	-	-	-

	Current	Past due within 1 month	Past due 1 to 3 months	Total
	\$'000	\$'000	\$'000	\$'000
2021				
Expected loss rate	-%	-%	1%	
Gross carrying amount	24,785	873	-	25,658
Loss allowance provision	-	-	-	-

Cash balances, advances to subsidiaries, other receivables and investment in debt securities are measured on 12-month expected credit losses as these debtors have a low risk of default and a strong capacity to meet contractual cashflows. There is no significant increase in credit risk during the year and they are subject to immaterial credit losses.

The maximum exposure of the Group and the Company to credit risk in the event that the counterparties fail to perform their obligations as of 31 December 2022 and 2021 in relation to each class of recognised financial assets is the carrying amount of those assets as indicated in the statements of financial position.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

14. Working capital balances (continued)

(c) Inventories

	The Group	
	2022	2021
	\$'000	\$'000
Manufacturing stocks	10,983	8,060
Work in progress	2,684	2,354
Finished stocks	5,581	2,761
	19,248	13,175

The cost of inventories recognised as expense and included in "Cost of sales" amounted to \$45,150,000 (2021: \$34,949,000) (Note 5).

During the financial year, the Group recognised inventories write down of \$45,000 (2021: \$399,000). The inventories written down have been included in "Cost of sales" in profit or loss.

(d) Trade and other payables

	The Group		The Company	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Trade payables	3,538	3,342	-	-
Other payables and accruals	60,301	61,563	4,783	4,869
Lease liabilities (Note 14(d)(i))	699	762	-	-
Advances from subsidiaries	-	-	52,853	56,223
	64,538	65,667	57,636	61,092

Trade and other payables, excluding lease liabilities, represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Other payables and accruals mainly comprise of accrued sales and marketing expenses, and accrued employee compensation.

Trade and other payables, are initially recognised at fair value, and subsequently measured at amortised cost, using the effective interest method. The carrying values of trade and other payables approximate their fair values.

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

The Group does not have any material financial liabilities maturing more than 12 months from 31 December 2022.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

14. Working capital balances (continued)

(d) Trade and other payables (continued)

(i) *Lease liability*

Lease liabilities are measured at the present value of the remaining lease payments, discounted using the interest rate implicit in the lease or the Group's incremental borrowing rate.

	The Group	
	2022	2021
	\$'000	\$'000
<u>Lease liability</u>		
Beginning of financial year	762	892
Additions during the year	126	47
Principal and interest payment	(203)	(202)
Interest expense	24	27
Effects of changes in foreign exchange rates	(10)	(2)
End of financial year	699	762

(e) Borrowings

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

Bank borrowings and credit facilities of the Group are secured over certain investment properties (Note 13) and pledged deposits (Note 14(a)).

(i) *Reconciliation of liabilities arising from financing activities*

Details of changes in the Group's liabilities from financing activities are set out in the table below and in Note 14(d)(i):

	The Group and the Company	
	2022	
	\$'000	
<u>Borrowings</u>		
Beginning of financial year	-	
Proceeds from borrowings	61,236	
Repayment of borrowings	(32,284)	
Effects of changes in foreign exchange rates	(451)	
End of financial year	28,501	

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

15. Share capital

	The Group and the Company			
	2022		2021	
	Number of shares '000	Amount \$'000	Number of shares '000	Amount \$'000
Beginning of financial year	221,347	268,702	221,191	267,232
Issue of ordinary shares by virtue of exercise of share options (Note 5(b)(ii))	21	209	156	1,470
End of financial year	221,368	268,911	221,347	268,702

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

Please refer to Note 5(b)(ii) for details of share options.

Capital risk

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

Management monitors capital based on ability of the Group to generate sustainable profits and availability of retained profits for dividend payments to members. The Group's overall strategy remains unchanged from 2021.

The Group and the Company are in compliance with all externally imposed capital requirements, which are based on the ratios of consolidated borrowings to consolidated assets or tangible net worth, for the financial years ended 31 December 2022 and 2021.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

16. Contingencies and commitments

(a) Contingent liabilities

The Group has no material contingent liabilities as at year end.

(b) Commitments

Capital commitments

	The Group		The Company	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Property, plant and equipment	2,253	24,281	-	-

17. Subsidiaries and associated company

Investment in subsidiaries and an associated company are stated at cost less accumulated impairment losses. On disposal of these investments, the difference between net disposal proceeds and the carrying amount of the net investments is recognised in profit or loss.

(a) Investment in subsidiaries

	The Company	
	2022	2021
	\$'000	\$'000
Equity investments at cost:		
Unquoted, at written down cost	601,155	601,155
Allowance for impairment in value	(38,594)	(38,594)
	562,561	562,561

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

17. Subsidiaries and associated company (continued)

(a) Investment in subsidiaries (continued)

Significant subsidiaries in the Group

Name of Company	Country of incorporation	Principal activities	Effective equity interest held by Group	
			2022 %	2021 %
SUBSIDIARIES				
Healthcare products				
Haw Par Healthcare Limited	Singapore	Manufacturing, marketing and distributing healthcare products	100.0	100.0
* Tiger Balm (Malaysia) Sdn. Bhd. +	Malaysia	Manufacturing, marketing and distributing pharmaceutical products	100.0	100.0
* Xiamen Tiger Medicals Co., Ltd. ++	The People's Republic of China	Manufacturing, marketing and distributing pharmaceutical products	100.0	100.0
Leisure products and services				
Haw Par Leisure Pte Ltd	Singapore	Investment holding	100.0	100.0
* Underwater World Pattaya Ltd +	Thailand	Owning and operating oceanarium	100.0	100.0
Property				
Haw Par Properties (Singapore) Private Limited	Singapore	Property development and owning and letting properties	100.0	100.0
Haw Par Centre Private Ltd	Singapore	Property development and owning and letting properties	100.0	100.0
Setron Pte. Ltd.	Singapore	Property development and owning and letting properties	100.0	100.0
Haw Par Land (Malaysia) Sdn. Bhd. +	Malaysia	Investment in properties and letting out of office space	100.0	100.0

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

17. Subsidiaries and associated company (continued)

(a) Investment in subsidiaries (continued)

Significant subsidiaries in the Group (continued)

Name of Company	Country of incorporation	Principal activities	Effective equity interest held by Group	
			2022 %	2021 %
Investments				
Haw Par Capital Pte Ltd	Singapore	Investment holding	100.0	100.0
Haw Par Equities Pte Ltd	Singapore	Investment holding	100.0	100.0
Haw Par Investment Holdings Private Limited	Singapore	Investment holding	100.0	100.0
Haw Par Pharmaceutical Holdings Pte. Ltd.	Singapore	Investment holding	100.0	100.0
Haw Par Securities (Private) Limited	Singapore	Investment holding	100.0	100.0
Haw Par Trading Pte Ltd	Singapore	Investment holding	100.0	100.0
M & G Maritime Services Pte. Ltd.	Singapore	Investment holding	100.0	100.0
Pickwick Securities Private Limited	Singapore	Investment holding	100.0	100.0
Straits Maritime Leasing Private Limited	Singapore	Investment holding	100.0	100.0
Haw Par Brothers International (H.K.) Limited **	Hong Kong	Investment holding and licensing of "Kwan Loong" trademark	100.0	100.0
Haw Par Management Services Pte. Ltd.	Singapore	Provision of management support services	100.0	100.0

Notes

- (i) Companies indicated with a (*) are indirectly held by Haw Par Corporation Limited.
- (ii) Companies indicated with a (+) are audited by PricewaterhouseCoopers member firms outside Singapore.
- (iii) Companies indicated with a (++) are audited by other firms. These foreign-incorporated companies are not considered as significant foreign-incorporated subsidiaries under the Singapore Exchange Securities Trading Limited - Listing Rules. Accordingly, Rule 716 of the Listing Manual has been complied with.
- (iv) All the above subsidiaries and associated company operate in their respective countries of incorporation.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

17. Subsidiaries and associated company (continued)

(b) Investment in an associated company

	The Group		The Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Investment in an associated company	15,769	13,044	2,895	2,895

Name of associated company	Country of incorporation	Principal activities	Effective equity interest held by Group	
			2022 %	2021 %
UIC Technologies Pte Ltd	Singapore	Investment holding	40.0	40.0

The Group's investment in associated company is not material to the Group. There are no contingent liabilities relating to the Group's interest in the associated company.

18. Significant accounting policies

(a) Revenue and other income recognition

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

Revenue from contracts with customers comprises of:

(i) *Sale of goods*

Revenue from sale of goods is recognised generally on shipment (at a point in time) and collection of related receivables is generally within 60 days.

(ii) *Rendering of services*

Revenue from services is recognised upon rendering of services (over time) and payment is due immediately.

Revenue from leasing of investment properties:

(iii) *Rental income*

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

18. Significant accounting policies (continued)

(a) Revenue and other income recognition (continued)

Other income is recognised as follows:

(iv) *Dividend income*

Dividend income from investments, subsidiaries and associated company is recognised when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the dividend amount can be reliably measured.

(v) *Interest income*

Interest income is recognised on a time proportion basis using the effective interest method.

(vi) *Government grants*

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

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

(b) Employee benefits

(i) *Defined contribution plans*

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

(ii) *Share-based compensation*

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

18. Significant accounting policies (continued)

(c) Income taxes

Current and deferred income taxes for current and prior periods are recognised at the amounts expected to be paid to or recovered from the tax authorities, using the applicable tax rates.

Current and deferred income taxes are recognised as income or expenses in profit or loss for the period except for those relating to fair value changes of financial assets at fair value through other comprehensive income which are recognised in other comprehensive income.

Deferred income tax are recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

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

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

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

(d) Investments and other financial assets

Classification and measurement

The Group classifies its financial assets in the following measurement categories:

- Fair value (either through other comprehensive income, or through profit or loss), and
- Amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

At initial recognition

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.

The Group has elected at the time of initial recognition to classify its equity investments as financial assets at fair value through other comprehensive income because these are strategic and long term investments.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

18. Significant accounting policies (continued)

(d) Investments and other financial assets (continued)

Subsequent measurement and derecognition

(i) Equity investments

The Group subsequently measures all its equity investments at fair value with gains and losses recognised in other comprehensive income. The fair value of the investments is based primarily on quoted market prices at the end of the reporting period. The quoted market price used is the current bid price and is classified as Level 1 under fair value hierarchy set out in the relevant accounting standards.

When a portion of the equity investment portfolio is hedged, the fair value changes on the portion of the hedging instrument designated as fair value hedges are recognised within the same line item as the fair value changes of the hedged item. Impairment losses (and reversal of impairment losses) on equity investments measured at fair value through comprehensive income are not reported separately from other changes in fair value. Upon disposal, any balance within the fair value reserve is reclassified directly to retained profits and not reclassified to profit or loss.

The Group documents at the inception of the transaction the relationship between the hedging instruments and hedged items, as well as its risk management objective and strategies for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, on whether the hedging relationship meets the hedge effectiveness requirement under SFRS (I) 9.

(ii) Other financial assets

Other financial assets mainly comprise of "Trade and other receivables" (Note 14), "cash and bank balances" (Note 14) and "Investments in debt securities" (Note 10) and are subsequently recognised at amortised cost.

Other financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in interest income using the effective interest rate method. On disposal of other financial assets, the difference between the carrying amount and the sale proceeds is recognised in profit or loss.

For impairment of trade receivables, the Group applies the simplified expected credit loss model as disclosed in Note 14(b)(i).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

18. Significant accounting policies (continued)

(e) Intangible assets

(i) *Goodwill*

Goodwill is carried at cost less accumulated impairment losses. Goodwill on acquisition of subsidiaries and business, represents the excess of (i) the sum of consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (ii) the fair value of the identifiable net assets acquired.

(ii) *Trademarks*

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

(f) Property, plant and equipment Investment properties

(i) *Measurement*

Property, plant and equipment and investment properties are stated at cost less accumulated depreciation and accumulated impairment losses. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities.

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

The cost of right-of-use assets comprises the initial measurement of lease liabilities (Note 18(j)(i)) adjusted for any lease payments made at or before the commencement date. Any initial direct costs that would not have been incurred but for the lease are added to the carrying amount of the right-of-use assets.

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The cost of major renovations and improvements is capitalised as additions and the carrying amounts of the replaced components are written off to profit or loss. All other repair and maintenance expense is recognised in profit or loss when incurred.

On disposal, the difference between the net disposal proceeds and its carrying amount is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

18. Significant accounting policies (continued)

(f) Property, plant and equipment
Investment properties (continued)

(ii) *Depreciation*

Depreciation is calculated using a straight-line method to allocate the depreciable amounts of asset over their estimated useful lives as follows:

Freehold land	No depreciation
Leasehold land	Over the term of the lease
Buildings	50 years or over the term of the lease, whichever is shorter
Plant and equipment	4 to 10 years

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

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

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

(g) Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined on a weighted average basis. The cost of finished goods and work-in-progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity).

(h) Group accounting

(i) *Subsidiaries*

(1) *Consolidation*

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

18. Significant accounting policies (continued)

(h) Group accounting (continued)

(i) *Subsidiaries (continued)*

(1) *Consolidation (continued)*

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

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

(2) *Acquisitions*

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

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

Acquisition-related costs are expensed as incurred.

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

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

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired is recorded as goodwill (Note 18(e)(i)).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

18. Significant accounting policies (continued)

(h) Group accounting (continued)

(i) *Subsidiaries (continued)*

(3) *Disposals*

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

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

(ii) *Associated companies*

Associated companies are entities over which the Group has significant influence, but not control, generally accompanied by a shareholding of 20% or more of the voting rights. Investments in associated companies in the consolidated statement of financial position include goodwill (net of accumulated impairment loss) identified on acquisition, where applicable.

(1) *Equity method of accounting*

Investments in associated companies are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any. The Group's share of its associated companies' post-acquisition profits or losses are recognised in profit or loss and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. These post-acquisition movements and distributions received from the associated companies are adjusted against the carrying amount of the investments.

(2) *Disposals*

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

18. Significant accounting policies (continued)

(i) Impairment of non-financial assets

Goodwill, Intangible assets, Property, plant and equipment, Right-of-use assets, Investment Properties and Investments in subsidiaries and associated company

Goodwill, recognised separately as an intangible asset, is tested annually for impairment and whenever there is any indication that the goodwill may be impaired. The rest of the non-financial assets are reviewed for impairment whenever there is any objective evidence or indication that these assets may be impaired.

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

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

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

An impairment loss (and any subsequent reversal) on non-financial assets is recognised in profit or loss. An impairment loss on goodwill is recognised as an expense and is not reversed in a subsequent period.

(j) Leases

(i) *When a group company is the lessee*

At inception of a contract, the Group assesses whether the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

Leases, except for short-term leases and leases of low value assets, are recognised as a right-of-use asset (Note 18(f)) and corresponding lease liability at the date which the underlying asset is available for use.

Lease liability is initially measured at the present value of the lease payments discounted using the implicit rate in the lease, or the Group's incremental borrowing rate, if the implicit rate cannot be readily determined. Lease liability is remeasured, with a corresponding adjustment to the right-of-use asset, if there is a modification or change in the lease terms or intentions.

Right-of-use assets are presented within "Property, plant and equipment" (Note 12) while lease liabilities are presented within "Trade and other payables" (Note 14).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

18. Significant accounting policies (continued)

(j) Leases (continued)

(i) *When a group company is the lessee (continued)*

Short-term and low value assets

The Group has elected to not recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value assets. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

(ii) *When a group company is the lessor*

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

(k) Fair value estimation

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

The fair values of financial instruments traded in active markets (such as exchange-traded and over-the-counter securities and derivatives) are based on quoted market prices obtained from stock exchange at the end of the reporting period. The fair value of financial instruments that do not have readily available quoted price are determined by using valuation techniques. The Group uses a variety of methods such as estimated discounted cash flow analysis.

(l) Currency translation

(i) *Functional and presentation currency*

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

(ii) *Transactions and balances*

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

18. Significant accounting policies (continued)

(l) Currency translation (continued)

(ii) *Transactions and balances (continued)*

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

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

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

The results and financial position of Group entities that are in functional currencies different from the presentation currency are translated into the presentation currency as follows:

- (1) Assets and liabilities are translated at the closing exchange rates at the reporting date;
- (2) Income and expenses are translated at the dates of the transactions; and
- (3) All resulting currency exchange differences are recognised in other comprehensive income and accumulated in currency translation reserve within equity. These currency translation differences are reclassified to profit or loss on disposal or partial disposal of the entity giving rise to such reserve.

19. Authorisation of financial statements

These financial statements are authorised for issue in accordance with a resolution of the Board of Directors of Haw Par Corporation Limited on 23 February 2023.

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The People's Republic of China

LEISURE

Haw Par Leisure Pte Ltd

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

Underwater World Pattaya Ltd

22/22 Moo 11
Sukhumvit Road
Nongprue, Banglamung
Chonburi 20150
Thailand
Tel: (66) (038) 756 876
underwaterworldpattaya.com

PROPERTY & INVESTMENT

Haw Par Properties (Singapore) Private Limited

401 Commonwealth Drive
#03-03 Haw Par Technocentre
Singapore 149598
Tel: (65) 6337 9102
Fax: (65) 6336 9232

Haw Par Land (Malaysia) Sdn. Bhd.

9th Floor, Menara Haw Par
Jalan Sultan Ismail
50250 Kuala Lumpur
Malaysia
Tel: (60) (3) 2070 1855
Fax: (60) (3) 2070 6078

Haw Par Securities (Private) Limited

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

MAJOR PRODUCTS & SERVICES

As at 31 December 2022

HEALTHCARE PRODUCTS

Tiger Balm Brand Products

Tiger Balm White Ointment
 Tiger Balm Red Ointment
 Tiger Balm Ultra
 Tiger Balm Soft
 Tiger Balm Plaster (Warm)
 Tiger Balm Plaster (Cool)
 Tiger Balm Back Pain Patch
 Tiger Balm Muscle Rub
 Tiger Balm Joint Rub
 Tiger Balm Neck & Shoulder Rub
 Tiger Balm Neck & Shoulder Rub Boost
 Tiger Balm Mosquito Repellent Spray
 Tiger Balm Mosquito Repellent Aerosol
 Tiger Balm Mosquito Repellent Patch
 Tiger Balm Fever Patch
 Tiger Balm Liniment/Oil
 Tiger Balm Lotion
 Tiger Balm® ACTIVE Muscle Gel
 Tiger Balm® ACTIVE Muscle Rub
 Tiger Balm® ACTIVE Muscle Spray
 Tiger Balm Inhaler
 Tiger Balm Relief

Kwan Loong Brand Products

Kwan Loong Medicated Oil
 Kwan Loong Refresher

LEISURE FACILITY

Underwater World Pattaya*

22/22 Moo 11
 Sukhumvit Road
 Nongprue, Banglamung
 Chonburi 20150
 Thailand

- Aquarium building
- Leasehold

Remaining Lease: 9 years

PROPERTIES

Haw Par Centre
 180 Clemenceau Avenue
 Singapore 239922

- Six-storey commercial building
- Leasehold

Remaining Lease: 29 years

Haw Par Glass Tower
 178 Clemenceau Avenue
 Singapore 239926

- Eight-storey commercial building with basement
- Leasehold

Remaining Lease: 47 years

Haw Par Technocentre
 401 Commonwealth Drive
 Singapore 149598

- Seven-storey industrial building
- Leasehold

Remaining Lease: 40 years

Menara Haw Par
 Lot 242, Jalan Sultan Ismail
 50250 Kuala Lumpur
 Malaysia

- Thirty-two storey commercial building
- Freehold

Haw Par Tiger Balm Building*
 2 Chia Ping Road
 Singapore 619968

- Nine-storey industrial building
- Leasehold

Remaining Lease: 7 years

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

- Three-storey industrial building
- Leasehold

Remaining Lease: 36 years

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

STATISTICS OF SHAREHOLDINGS

As at 6 March 2023

Share Capital

Number of Issued and Fully Paid Shares	:	221,368,173
Class of Shares	:	Ordinary Share
Voting Rights	:	One vote per share
No. of Treasury Shares	:	Nil
No. of Subsidiary Holdings	:	Nil

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	9,088	45.64	273,169	0.12
100 – 1,000	5,962	29.94	2,495,087	1.13
1,001 – 10,000	4,235	21.27	12,929,190	5.84
10,001 – 1,000,000	611	3.07	24,570,903	11.10
1,000,001 AND ABOVE	15	0.08	181,099,824	81.81
TOTAL	19,911	100.00	221,368,173	100.00

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	WEE INVESTMENTS PTE LTD	62,907,926	28.42
2	DBSN SERVICES PTE. LTD.	28,341,959	12.80
3	TYE HUA NOMINEES PRIVATE LIMITED	17,435,534	7.88
4	UOB KAY HIAN PRIVATE LIMITED	15,634,872	7.06
5	RAFFLES NOMINEES (PTE.) LIMITED	12,997,251	5.87
6	HSBC (SINGAPORE) NOMINEES PTE LTD	11,603,836	5.24
7	CITIBANK NOMINEES SINGAPORE PTE LTD	10,624,810	4.80
8	DBS NOMINEES (PRIVATE) LIMITED	6,704,828	3.03
9	UNITED OVERSEAS INSURANCE LIMITED - SHF	4,274,600	1.93
10	WAH HIN & CO PTE LTD	3,652,655	1.65
11	C Y WEE & CO PTE LTD	1,643,148	0.74
12	SG INVESTMENTS PTE LTD	1,617,000	0.73
13	DB NOMINEES (SINGAPORE) PTE LTD	1,435,820	0.65
14	PHILLIP SECURITIES PTE LTD	1,133,212	0.51
15	WEE CHO YAW	1,092,373	0.49
16	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	945,945	0.43
17	SINGAPORE REINSURANCE CORPORATION LTD - SHAREHOLDERS	675,000	0.30
18	THIA CHENG SONG	612,000	0.28
19	HO HAN LEONG CALVIN	550,440	0.25
20	CHUA WEE KENG	530,540	0.24
	TOTAL	184,413,749	83.31

STATISTICS OF SHAREHOLDINGS

As at 6 March 2023

FREE FLOAT

Based on the information available to the Company as at 6 March 2023, approximately 42.68% of the issued ordinary shares of the Company is held by the public and therefore, the Company has complied with Rule 723 of the SGX-ST Listing Manual which requires at least 10% of equity securities (excluding preference shares and convertible equity securities) in a class that is listed at all times held by the public.

SUBSTANTIAL SHAREHOLDERS AS AT 6 MARCH 2023

	NO. OF SHARES HELD			%
	DIRECT	DEEMED	TOTAL	
Wee Cho Yaw	1,092,373	79,605,330	80,697,703	36.45 ^{(1) (2) (3)}
Wee Ee Cheong	128,857	76,678,311	76,807,168	34.70 ^{(1) (2) (4)}
Wee Ee Lim	437,192	75,001,217	75,438,409	34.08 ⁽¹⁾
Wee Ee-chao	13,826	75,134,135	75,147,961	33.95 ^{(1) (5)}
Wee Investments Private Limited	62,907,926	-	62,907,926	28.42
Supreme Island Corporation	12,085,601	-	12,085,601	5.46
First Eagle Investment Management, LLC	-	23,346,467	23,346,467	10.55 ⁽⁷⁾
United Overseas Bank Limited	-	21,708,537	21,708,537	9.81 ⁽⁸⁾

- (1) Messrs Wee Cho Yaw, Wee Ee Cheong, Wee Ee Lim and Wee Ee-chao are deemed to be interested in the shares held by Wee Investments Private Limited, Supreme Island Corporation and Kheng Leong Co Pte Ltd.
- (2) Messrs Wee Cho Yaw and Wee Ee Cheong are deemed to have an interest in the shares held by C.Y. Wee & Co Pte Ltd.
- (3) Dr Wee Cho Yaw is deemed to have an interest in the shares held by UOL Group Limited.
- (4) Mr Wee Ee Cheong is deemed to have an interest in the shares held by E.C. Wee Pte Ltd.
- (5) Mr Wee Ee-chao is deemed to have an interest in the shares held by Protheus Investment Holdings Pte Ltd.
- (6) Kheng Leong Co Pte Ltd, C.Y. Wee & Co Pte Ltd, UOL Group Limited, E.C. Wee Pte Ltd and Protheus Investment Holdings Pte Ltd are not substantial shareholders of the Company.
- (7) First Eagle Investment Management, LLC is a U.S. investment adviser, holding the shares on behalf of its clients. One of its mutual funds, First Eagle Overseas Fund holds 23,346,467 shares amounting to a shareholding of 10.55%.
- (8) United Overseas Bank Limited is deemed to have an interest in 17,433,937 shares held by Tye Hua Nominees (Pte) Limited and 4,274,600 shares held by United Overseas Insurance Limited – SHF.

NOTICE OF ANNUAL GENERAL MEETING

HAW PAR CORPORATION LIMITED

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

Notice is hereby given that the Fifty-Fourth Annual General Meeting (the “**54th AGM**”) of Haw Par Corporation Limited (the “**Company**”) will be held at Parkroyal on Beach Road, Grand Ballroom, Level 1, 7500 Beach Road, Singapore 199591 on Tuesday, 25 April 2023 at 2.00 p.m. to transact the following business:

AS ORDINARY BUSINESS

- Resolution 1** To receive and adopt the Directors’ Statement and Audited Financial Statements for the financial year ended 31 December 2022 (“**FY2022**”) together with the Auditor’s Report thereon.
- Resolution 2** To declare a One-Tier Tax-Exempt Second & Final Dividend of 15 Singapore cents per ordinary share for FY2022.
- Resolution 3** To re-elect Mr Wee Ee-chao, who is retiring by rotation pursuant to Article 94 of the Company’s Constitution, and who, being eligible, offers himself for re-election.
- Resolution 4** To re-elect Mr Gn Hiang Meng, who is retiring by rotation pursuant to Article 94 of the Company’s Constitution, and who, being eligible, offers himself for re-election.
- Resolution 5** To approve Directors’ fees of S\$594,000 for FY2022 (FY2021: S\$546,000).
- Resolution 6** To re-appoint PricewaterhouseCoopers LLP as Auditor of the Company to hold office until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration.

AS SPECIAL BUSINESS

To consider and, if thought fit, pass the following as an ordinary resolution:

- Resolution 7** That authority be and is hereby given to the directors of the Company (“**Directors**”) to:
- (a) (i) issue shares of the Company (“**shares**”) (whether by way of rights, bonus or otherwise); and/or
 - (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

NOTICE OF ANNUAL GENERAL MEETING

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

provided that:

- (1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed fifty per cent (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro-rata basis to shareholders of the Company ("**Shareholders**") (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed fifteen per cent (15%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**")) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed after adjusting for:
 - (i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which were issued and are outstanding or subsisting at the time this Resolution is passed; and
 - (ii) any subsequent bonus issue, consolidation or subdivision of shares,

and, in sub-paragraph (1) above and this sub-paragraph (2), "subsidiary holdings" has the meaning given to it in the Listing Manual of the SGX-ST;

- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the listing rules of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and
- (4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY NOTES TO RESOLUTIONS

Resolution 2 Together with the interim tax-exempt dividend of 15 Singapore cents per ordinary share paid on 2 September 2022 and subject to Shareholders' approval of the proposed One-Tier Tax-Exempt Second and Final Dividend of 15 Singapore cents per ordinary share, the total tax-exempt dividend for FY2022 will be 30 Singapore cents per ordinary share (FY2021: 30 Singapore cents tax-exempt).

Subject to Shareholders' approval of the proposed One-Tier Tax-Exempt Second and Final Dividend, the Share Transfer Books and Register of Members of the Company will be closed* on **8 May 2023 at 5.00 p.m.**, and proposed One-Tier Tax-Exempt Second and Final Dividend will be payable on **24 May 2023**.

Duly completed transfers received in respect of ordinary shares of the Company by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd at 1 Harbourfront Avenue, Keppel Bay Tower, #14-07, Singapore 098632 up to **5.00 p.m. on **8 May 2023** will be registered to determine Shareholders' entitlement to the proposed One-Tier Tax-Exempt Second and Final Dividend and Shareholders whose securities accounts with The Central Depository (Pte) Limited are credited with shares as at **5.00 p.m.** on **8 May 2023** will be entitled to such proposed dividend.*

Resolution 3 Mr Wee Ee-chao is a Non-Executive and Non-Independent Director and the Deputy Chairman of the Board. He will upon re-election, continue as the Deputy Chairman of the Board.

Resolution 4 Mr Gn Hiang Meng is a Non-Executive and Independent Director. He will upon re-election, continue as the Chairman of the Remuneration Committee and the Nominating Committee and as a member of the Audit and Risk Committee. The Board considers Mr Gn Hiang Meng to be an independent director.

Please refer to the "Board of Directors" section and "Additional Information on Directors Seeking Re-election" section of the Company's Annual Report 2022 for information on the current directorships in other listed companies and principal commitments of these Directors. The Company's Annual Report 2022 is available at www.hawpar.com/AR2022.

Resolution 6 The Audit and Risk Committee undertook a review of the fees and expenses of the audit and non-audit services provided by the external auditor, PricewaterhouseCoopers LLP. It assessed whether the nature and extent of the non-audit services might prejudice the independence and objectivity of the external auditor before confirming its re-nomination. It was satisfied that such services did not affect the independence of the external auditor.

NOTICE OF ANNUAL GENERAL MEETING

Resolution 7 is to authorise the Directors to issue shares and to make or grant Instruments (such as warrants, debentures or other securities) convertible into shares, and to issue shares in pursuance of such Instruments from the date of this Annual General Meeting until the date the next Annual General Meeting of the Company is held or required by law to be held, whichever is the earlier, unless such authority is earlier revoked or varied by the Shareholders at a general meeting. The aggregate number of shares which the Directors may issue (including shares to be issued pursuant to convertibles) under Ordinary Resolution 7 must not exceed fifty per cent (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) with a sub-limit of fifteen per cent (15%) for issues other than on a pro-rata basis. For Shareholders' information, this fifteen per cent (15%) limit is lower than the twenty per cent (20%) presently permitted under the listing rules of the SGX-ST. For the purpose of determining the aggregate number of shares that may be issued, the total number of issued shares (excluding treasury shares and subsidiary holdings) will be calculated as described.

By Order of the Board

Chiew Kun Long, Alvin
Company Secretary

Singapore, 4 April 2023

NOTES:

- (1) The 54th AGM of the Company will be held, in a wholly physical format, at Parkroyal on Beach Road, Grand Ballroom, Level 1, 7500 Beach Road, Singapore 199591 on Tuesday, 25 April 2023 at 2.00 p.m. There will be no option for shareholders to participate virtually. This Notice will be on SGXNET and made available on the SGX website at <https://www.sgx.com/securities/company-announcements>, as well as on the Company's corporate website at <https://www.hawpar.com/agm2023>.
- (2) Arrangements relating to attendance at the Annual General Meeting by shareholders, including Central Provident Fund Investment Scheme investors and/or Supplementary Retirement Scheme investors ("**CPF/SRS Investors**"), submission of questions to the Chairman of the Meeting by shareholders, including CPF/SRS investors, in advance of, or at, the Annual General Meeting, addressing of substantial and relevant questions in advance of, or at, the Annual General Meeting, and voting at the Annual General Meeting by shareholders, including CPF/SRS investors, or (where applicable) duly appointed proxy(ies), are set out in the accompanying Company's announcement dated 4 April 2023. This announcement may be accessed on the SGX website at <https://www.sgx.com/securities/company-announcements>, as well as on the Company's corporate website at <https://www.hawpar.com/agm2023>.
- (3) A member of the Company who is not a relevant intermediary is entitled to appoint one or two proxy/proxies to attend, speak and vote at the Annual General Meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.
- (4) A member of the Company who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Annual General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

NOTICE OF ANNUAL GENERAL MEETING

“Relevant intermediary” has the meaning ascribed to it in Section 181 of the Companies Act 1967, and includes depository agents (as defined in Section 81SF of the Securities and Futures Act 2001).

- (5) A proxy need not be a member of the Company. To be effective, the instrument appointing a proxy(ies) must be deposited with the Company (i) via post to **401 Commonwealth Drive, #03-03 Haw Par Technocentre, Singapore 149598** or (ii) via electronic mail to **agm@hawpar.com**, and in each case must be received by the Company by **22 April 2023, 2.00 p.m.** (being 72 hours before the time appointed for the holding of the 54th AGM). The submission of the instrument appointing a proxy(ies) by a member does not preclude him from attending and voting in person at the Annual General Meeting if the member is able to do so. In such event, the relevant instrument appointing a proxy(ies) will be deemed to be revoked.
- (6) Personal Data Privacy: By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member’s personal data (including, but not limited to, name, personal identification number, address, telephone number) by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to update its scrip holders’ information (if applicable) and to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the “Purposes”) and acknowledges that photography and video and/or audio recordings may be taken for the purposes of the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting and/or any adjournment thereof, (ii) warrants that where the member discloses the personal data of the member’s proxy(ies) and or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member’s breach of warranty.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Each of Mr Wee Ee-chao and Mr Gn Hiang Meng has confirmed that, save in respect of questions (j)(i) and (j)(iv), his answer to each of the questions set out under the section titled "Information required" in Appendix 7.4.1 of the SGX-ST Listing Manual is in the negative. In respect of questions (j)(i) and (j)(iv), kindly refer to "Additional Disclosure by Mr Wee Ee-chao on (j)(i) and (j)(iv)" and "Additional Disclosure by Mr Gn Hiang Meng on (j)(i) and (j)(iv)":

- (a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?
- (b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?
- (c) Whether there is any unsatisfied judgement against him?
- (d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?
- (e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?
- (f) Whether at any time during the last 10 years, judgement has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?
- (g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?
- (h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?
- (i) Whether he has ever been the subject of any order, judgement or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

- (j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:
- (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or
 - (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or
 - (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or
 - (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,
- in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?
- (k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

ADDITIONAL DISCLOSURE BY MR WEE EE-CHAO ON (J)(I) AND (J)(IV)

j(i) and j(iv)

Mr Wee Ee-chao is a director of UOB Kay Hian Private Limited ("UOBKH").

As noted in the Monetary Authority of Singapore ("MAS") media release on 31 August 2022:

1. The MAS has imposed on UOBKH a composition penalty of \$375,000 for its failures to comply with business conduct requirements under the Securities and Futures (Licensing and Conduct of Business) Regulations (SFR) and anti-money laundering and countering the financing of terrorism (AML/CFT) requirements under MAS Notice SFA04-N02.
2. These failures occurred between 2012 to 2018. They relate to inadequate controls for UOBKH's corporate finance business and breaches in verifying customer's source of wealth and conducting due diligence for third-party receipt of monies.

As noted in Singapore Exchange Regulation ("SGX RegCo") media release on 27 December 2022:

3. SGX RegCo has imposed requirements on UOBKH in relation to IPO/RTO activities after considering the action taken by the MAS.
4. These requirements include not accepting new mandates to act as an issuer manager or full sponsor for SGX Mainboard/Catalist IPO and RTO submissions, and certain requirements in relation to introducing activities as a full sponsor.

UOBKH has taken remedial measures to enhance its internal policies and controls, and has appointed an independent external party to evaluate these measures. UOBKH will work with the external party to implement recommendations raised and ensure that the remedial measures are effective in addressing MAS and SGX's concerns.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

ADDITIONAL DISCLOSURE BY MR GN HIANG MENG ON (J)(I) AND (J)(IV)

j(i)

Mr Gn was an independent non-executive director of TEE International Limited ("TEEI") from 1 June 2013 to 21 January 2021.

TEEI had, on 4 March 2020, received an order under Section 20 of the Criminal Procedure Code 2010 of Singapore ("CPC") to produce various categories of documents to the Commercial Affairs Department ("CAD") to assist with an investigation into an offence under the Penal Code 1871 of Singapore pursuant to the provisions of the CPC.

TEEI had also received a notice to provide assistance to gain access to the computers containing corporate email accounts and instant messages/chat accounts assigned to (i) the Company's former Group Chief Executive Officer, (ii) the Group Chief Financial Officer and (iii) the Financial Controller.

On 4 March 2020, the CAD took certain documents and items from the premises of TEEI.

Mr Gn subsequently resigned as an independent director of TEEI on 21 January 2021 having considered that the matters relating to the past unauthorised remittances had been substantially addressed by TEEI.

On 3 December 2021, the SGX-ST Listings Disciplinary Committee issued public reprimands to TEEI and two of its former executives.

j(iv)

Mr Gn was a non-executive director of UOB Asia Limited which in November 2000 was served with 2 charges under Section 97 and 2 charges under Section 99 of Singapore's Securities Industry Act ("SIA") in respect of its handling of the initial public offering of shares by e.World of Sports.com Ltd and Hua Kok International Limited.

UOB Asia Limited (wholly owned subsidiary of United Overseas Bank Limited) pleaded guilty to the 2 charges under Section 99 of the SIA and was fined S\$400,000. The 2 other charges under Section 97 were not proceeded with but were taken into consideration for the purpose of sentencing.

PROXY FORM



HAW PAR CORPORATION LIMITED

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

FIFTY-FOURTH ANNUAL GENERAL MEETING

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

IMPORTANT:

1. This proxy form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by investors holding shares of Haw Par Corporation Limited through relevant intermediaries (as defined in Section 181 of the Companies Act 1967) or depository agents (as defined in Section 815F of the Securities and Futures Act 2001) (each, a "Relevant Intermediary"), including CPFIS/SRS investors. Such investors (including CPFIS/SRS investors) should contact their respective Relevant Intermediary, CPF Agent Bank or SRS Operator as soon as possible if they have any queries regarding their appointment as proxies.
2. Personal data privacy. By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 4 April 2023.

*I/ We, _____ (Name)

_____ (NRIC/Passport/Company Registration No.)

of _____ (Address)

_____ (Telephone Number)

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

NAME	ADDRESS	NRIC / PASSPORT NUMBER	PROPORTION OF SHAREHOLDING	
			No. of shares (Ordinary)	%
(a)				
and/or (delete as appropriate)				
(b)				

or failing *him/them, the Chairman of the AGM (as defined below) as *my/our proxy/proxies to attend, speak and vote for *me/us on my/our behalf at the 54th Annual General Meeting ("AGM") to be held at Parkroyal on Beach Road, Grand Ballroom, Level 1, 7500 Beach Road, Singapore 199591 on Tuesday, 25 April 2023 at 2.00 p.m. and at any adjournment thereof. *I/We direct *my/our proxy/proxies to vote for or against (or to abstain from voting on) the Resolutions to be proposed at the AGM (all the Resolutions Nos. 1 to 7 will be proposed as Ordinary Resolutions), as indicated below. If no specific direction as to voting is given in respect of a resolution, the *proxy/proxies will vote or abstain from voting at *his/their discretion, as *he/they will on any other matter arising at the AGM and at any adjournment thereof.

NO.	RESOLUTION	NO. OF VOTES FOR#	NO. OF VOTES AGAINST#	NO. OF VOTES ABSTAINING#
Ordinary Business				
1	Adoption of Directors' Statement, Audited Financial Statements and Auditor's Report			
2	Declaration of Second & Final Dividend			
3	Re-election of Mr Wee Ee-chao as Director			
4	Re-election of Mr Gn Hiang Meng as Director			
5	Approval of Directors' fees			
6	Re-appointment of PricewaterhouseCoopers LLP as Auditor			
Special Business				
7	Authority for Directors to issue shares (General Share Issue Mandate)			

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

* Delete as appropriate.

Dated this _____ day of _____ 2023

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

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



Notes:

1. A member of the Company should insert the total number of shares held. If the member has shares entered against his/her/its name in the Depository Register (maintained by The Central Depository (Pte) Limited), he/she/it should insert that number of shares. If the member has shares registered in his/her/its name in the Register of Members (maintained by or on behalf of the Company), he/she/it should insert that number of shares. If the member has shares entered against his/her/its name in the Depository Register and shares registered in his/her/its name in the Register of Members, he/she/it should insert the aggregate number of shares. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by the member in both the Depository Register and the Register of Members.
2. A member of the Company who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the AGM in his/her/its stead. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy, failing which the form of proxy may be treated as invalid.
3. A member of the Company who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.
4. "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967, and includes depository agents (as defined in Section 815F of the Securities and Futures Act 2001).
5. A proxy need not be a member of the Company.
6. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the AGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the AGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under this instrument of proxy, to the AGM.
7. This instrument appointing a proxy or proxies must be deposited with the Company (i) via post to 401 Commonwealth Drive, #03-03 Haw Par Technocentre, Singapore 149598 or (ii) via electronic mail to agm@hawpar.com, and in each case must be received by the Company by **22 April 2023, 2.00 p.m.** (being 72 hours before the time appointed for the holding of the 54th AGM).
8. This instrument appointing a proxy or proxies must be signed by the appointor or by his/her duly authorised attorney or, if the appointor is a corporation, executed under its common seal or signed by its duly authorised attorney or officer. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument appointing a proxy or proxies, failing which the instrument may be treated as invalid.
9. A corporation which is a member may appoint, by resolution of its directors or other governing body, such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act 1967.
10. Any alteration made in this instrument appointing a proxy or proxies must be initialled by the person who signs it.
11. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument (including any related attachment). In addition, in the case of a member whose shares are entered against his/her/its name in the Depository Register, the Company shall be entitled to reject any instrument appointing a proxy or proxies lodged if such member, being the appointor, is not shown to have shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

1st fold

2nd fold

PROXY FORM

Please
affix
postage
stamp

The Company Secretary
Haw Par Corporation Limited
401 Commonwealth Drive
#03-03 Haw Par Technocentre
Singapore 149598

3rd fold
Fold and glue overleaf. Do not staple

HAW PAR CORPORATION LIMITED

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

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