



HAW PAR CORPORATION LIMITED

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

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2024

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Condensed Interim Consolidated Financial Statements for the Half Year Ended 30 June 2024

CONSOLIDATED INCOME STATEMENT

		The Group		
		Half Year Ended 30 June		
	Note	2024 S\$'000	2023 S\$'000	+ / (-) %
Revenue	4	118,120	111,123	6.3
Cost of sales		(53,660)	(48,171)	11.4
Gross profit		64,460	62,952	2.4
Other income	5	97,150	82,063	18.4
Distribution and marketing expenses		(26,950)	(25,214)	6.9
General and administrative expenses		(6,240)	(9,865)	(36.7)
Finance expenses		(1,044)	(697)	49.8
Share of profit of associated company		1,774	1,897	(6.5)
Profit before taxation		129,150	111,136	16.2
Taxation	7	(7,151)	(6,996)	2.2
Profit for the financial period, net of tax		121,999	104,140	17.1
Earnings per share attributable to equity holders of the Company				
- Basic		55.1 cents	47.0 cents	
- Diluted		55.1 cents	47.0 cents	

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		The Group		
		Half Year Ended 30 June		
		2024 S\$'000	2023 S\$'000	+ / (-) %
Profit for the financial period, net of tax		121,999	104,140	17.1
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)		561	(4,291)	N/M
<i>Items that will not be reclassified subsequently to profit or loss:</i>				
Fair value changes on investments (net)		141,779	(221,813)	N/M
Other comprehensive income/(loss) for the financial period, net of tax		142,340	(226,104)	N/M
Total comprehensive income/(loss) for the financial period		264,339	(121,964)	N/M

N/M - not meaningful

STATEMENTS OF FINANCIAL POSITION

	Note	The Group		The Company	
		30/6/2024	31/12/2023	30/6/2024	31/12/2023
		S\$'000	S\$'000	S\$'000	S\$'000
ASSETS					
Cash and bank balances		482,877	574,014	332,542	312,956
Investment in debt securities		335,150	185,923	-	-
Trade and other receivables		53,242	48,487	435,990	380,548
Inventories		21,447	19,005	-	-
Tax recoverable		396	553	-	-
Deferred income tax assets		2,424	2,709	-	-
Associated company		20,655	18,881	2,895	2,895
Subsidiaries		-	-	562,561	562,561
Investment properties		45,887	46,894	-	-
Property, plant and equipment		48,882	49,589	-	-
Intangible assets		11,116	11,116	-	-
Strategic and long term investments	9	2,794,110	2,636,007	-	-
Total assets		3,816,186	3,593,178	1,333,988	1,258,960
LIABILITIES					
Trade and other payables		71,344	77,461	165,265	60,645
Borrowings	10	36,295	27,846	36,295	27,846
Current income tax liabilities		11,728	11,106	1,094	641
Deferred income tax liabilities		751	762	-	-
Total liabilities		120,118	117,175	202,654	89,132
NET ASSETS		3,696,068	3,476,003	1,131,334	1,169,828
EQUITY					
Equity attributable to equity holders of the Company					
Share capital	11	268,911	268,911	268,911	268,911
Retained profits		1,517,108	1,439,383	862,297	900,791
Other reserves		1,910,049	1,767,709	126	126
Total equity		3,696,068	3,476,003	1,131,334	1,169,828

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

		← Attributable to Equity Holders of the Company →						
		Share Capital	Statutory Reserve ¹	Capital Reserve	Fair Value Reserve	Foreign Currency Translation Reserve	Retained Profits	Total Equity
Note		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
The Group								
2024								
Balance at 1 January 2024		268,911	2,873	38	1,772,617	(7,819)	1,439,383	3,476,003
Dividends paid		-	-	-	-	-	(44,274)	(44,274)
Total comprehensive income for the financial period		-	-	-	141,779	561	121,999	264,339
Balance at 30 June 2024		268,911	2,873	38	1,914,396	(7,258)	1,517,108	3,696,068
2023								
Balance at 1 January 2023		268,911	2,730	38	1,979,989	(3,387)	1,300,436	3,548,717
Dividends paid		-	-	-	-	-	(33,205)	(33,205)
Total comprehensive income/(loss) for the financial period		-	-	-	(221,813)	(4,291)	104,140	(121,964)
Balance at 30 June 2023		268,911	2,730	38	1,758,176	(7,678)	1,371,371	3,393,548

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.

STATEMENT OF CHANGES IN EQUITY

	Note	Share Capital \$'000	Capital Reserve \$'000	Retained Profits \$'000	Total Equity \$'000
The Company					
2024					
Balance at 1 January 2024		268,911	126	900,791	1,169,828
Dividends paid	8	-	-	(44,274)	(44,274)
Total comprehensive income for the financial period		-	-	5,780	5,780
Balance at 30 June 2024		268,911	126	862,297	1,131,334
2023					
Balance at 1 January 2023		268,911	126	795,298	1,064,335
Dividends paid	8	-	-	(33,205)	(33,205)
Total comprehensive income for the financial period		-	-	(319)	(319)
Balance at 30 June 2023		268,911	126	761,774	1,030,811

CONSOLIDATED STATEMENT OF CASH FLOWS

	The Group	
	Half Year Ended 30 June	
	2024 S\$'000	2023 S\$'000
Cash flows from operating activities		
Profit before tax	129,150	111,136
Adjustments for:		
Dividend income	(81,007)	(70,051)
Interest income	(14,644)	(11,376)
Depreciation of property, plant and equipment and investment properties	3,051	2,947
Share of profit of associated company	(1,774)	(1,897)
Finance expenses	1,044	697
Inventories written (back)/down	(35)	75
Gain on disposal and write-off of property, plant and equipment, net	(1)	(3)
Unrealised currency translation (gains)/losses	(901)	319
Operating profit before working capital changes	34,883	31,847
Changes in working capital:		
- inventories	(2,407)	47
- trade and other receivables	(4,808)	(16,375)
- trade and other payables	(4,726)	10,380
Cash generated from operations	22,942	25,899
Net taxation paid	(5,956)	(4,329)
Net cash from operating activities	16,986	21,570
Cash flows from investing activities		
Purchase of debt securities	(322,075)	(312,524)
Proceeds from maturity of debt securities	171,989	200,000
Dividend income received	79,070	69,957
Interest income received	17,300	5,166
Purchase of long term investments	(15,638)	-
Purchase of property, plant and equipment	(2,052)	(7,008)
Improvements to investment properties	(73)	(28)
Proceeds from disposal of property, plant and equipment	1	4
Net cash used in investing activities	(71,478)	(44,433)
Cash flows from financing activities		
Payment of dividends to members of the Company	(44,274)	(33,205)
Proceeds from borrowings	7,820	-
Interest paid on borrowings and lease liabilities	(1,070)	(675)
Principal payment of lease liabilities	(91)	(92)
Net cash used in financing activities	(37,615)	(33,972)
Net decrease in cash and cash equivalents	(92,107)	(56,835)
Cash and cash equivalents at beginning of the financial period	573,554	333,778
Effects of currency translation on cash and cash equivalents	972	(1,101)
Cash and cash equivalents at end of the financial period	482,419	275,842
Cash and cash equivalents comprised the following:		
Cash and bank balances	482,877	276,305
Less: Bank deposits pledged for banking facilities	(458)	(463)
	482,419	275,842

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the half year ended 30 June 2024

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 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.

2. Basis of preparation

The condensed interim consolidated financial statements for six months ended 30 June 2024 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim consolidated financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2023.

Except as disclosed below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period compared with those of the audited financial statements as at 31 December 2023.

On 1 January 2024, 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) 1-1 *Presentation of Financial Statements*
- Amendments to SFRS(I) 1-7 *Statement of Cash Flows* and SFRS(I) 7 *Financial Instruments: Disclosure*
- Amendments to SFRS(I) 16 *Leases*

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 periods.

The condensed interim consolidated financial statements are presented in Singapore dollar which is the Company’s functional currency.

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Revenue

Revenue consists of the following:

	The Group	
	Half Year Ended 30 June	
	2024	2023
	\$'000	\$'000
Sale of goods	108,797	102,032
Rendering of services	1,191	1,402
Rental income	8,132	7,689
Total revenue	118,120	111,123

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.

Except for rental income of \$8,132,000 (2023: \$7,689,000), the remaining revenue relates to revenue from contracts with customers under SFRS(I) 15.

5. Other income

	The Group	
	Half Year Ended 30 June	
	2024	2023
	\$'000	\$'000
Dividend income	81,007	70,051
Interest income	14,644	11,376
Miscellaneous income	1,499	636
Total other income	97,150	82,063

6. Selected expenses

The following were charged/(credited) to the income statement:

	The Group	
	Half Year Ended 30 June	
	2024	2023
	\$'000	\$'000
Interest on borrowings	1,031	682
Depreciation of property, plant and equipment and investment properties	3,051	2,947
Inventories written (back)/down	(35)	75
Foreign exchange (gain)/loss, net	(459)	314
Gain on disposal and write-off of property plant and equipment, net	(1)	(3)

7. Taxation

	The Group	
	Half Year Ended 30 June	
	2024	2023
	\$'000	\$'000
Tax expense attributable to profit is made up of:		
Current taxation:		
Current year	7,231	6,365
Over provision in respect of previous years	(298)	(101)
	6,933	6,264
Deferred taxation:		
Origination and reversal of temporary differences	198	732
Under provision in respect of previous years	20	-
	218	732
	7,151	6,996

8. Dividends

	The Group	
	Half Year Ended 30 June	
	2024	2023
	\$'000	\$'000
<i>Ordinary dividends paid:</i>		
Final exempt 2023 dividend of 20 cents per share (2023: Final exempt 2022 dividend of 15 cents per share)	44,274	33,205
Dividend per share (net of tax)	20 cents	15 cents

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	
	30/6/2024	31/12/2023
	\$'000	\$'000
<u>Strategic investments</u>		
- United Overseas Bank Limited	2,342,073	2,129,498
- UOL Group Limited	373,913	451,721
	2,715,986	2,581,219
Other long term investments	78,124	54,788
	2,794,110	2,636,007

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.

10. Borrowings

	The Group and The Company	
	30/6/2024	31/12/2023
	\$'000	\$'000
<u>Amount repayable in one year or less, or on demand</u>		
Secured	36,295	27,846
Unsecured	-	-
<u>Amount repayable after one year</u>		
Secured	-	-
Unsecured	-	-

The Group has provided certain investment properties to secure its credit facilities.

11. Share capital

(a)	The Group and the Company			
	30/6/2023		31/12/2023	
	Number of issued shares	Amount \$'000	Number of issued shares	Amount \$'000
Beginning and end of financial period	221,368,173	268,911	221,368,173	268,911

(b) There were no outstanding convertibles as at 30 June 2024 and 30 June 2023.

The Company did not hold any treasury shares and there were no subsidiary holdings as at 30 June 2024 and 30 June 2023.

12. Net asset value

	The Group		The Company	
	30/6/2024	31/12/2023	30/6/2024	31/12/2023
	\$	\$	\$	\$
Net asset value per ordinary share	16.70	15.70	5.11	5.28

13. Related party transactions

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

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the half year ended 30 June 2024

14. Segment information

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 whose members are responsible for allocating resources and assessing performance of the operating segments.

Reportable segments

	<u>Healthcare</u> \$'000	<u>Investments</u> \$'000	<u>Others</u> ¹ \$'000	<u>Consolidated</u> \$'000
Half year ended 30 June 2024				
Total segment revenue	108,577	-	10,041	118,618
Inter-segment revenue	-	-	(498)	(498)
Revenue from external parties	108,577	-	9,543	118,120
Dividend income	-	81,007	-	81,007
Interest income	-	14,644	-	14,644
Miscellaneous income	1,173	54	272	1,499
Total other income	1,173	95,705	272	97,150
Total revenue and other income	<u>109,750</u>	<u>95,705</u>	<u>9,815</u>	<u>215,270</u>
Depreciation	1,781	61	1,209	3,051
Finance expense	13	1,031	-	1,044
Segment profit	<u>30,983</u>	<u>95,425</u>	<u>5,302</u>	131,710
Unallocated expenses				(4,334)
Share of profit of associated company	-	1,774	-	<u>1,774</u>
Profit before taxation				129,150
Taxation				<u>(7,151)</u>
Earnings for the financial period				<u>121,999</u>
As at 30 June 2024				
Segment assets	<u>154,332</u>	<u>3,608,773</u>	<u>50,261</u>	3,813,366
Tax recoverable				396
Deferred income tax assets				<u>2,424</u>
Total assets per statement of financial position				<u>3,816,186</u>
Segment liabilities	<u>58,985</u>	<u>43,221</u>	<u>5,433</u>	107,639
Current income tax liabilities				11,728
Deferred income tax liabilities				<u>751</u>
Total liabilities per statement of financial position				<u>120,118</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 CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the half year ended 30 June 2024

14. Segment information (continued)

Reportable segments (continued)

	<u>Healthcare</u> \$'000	<u>Investments</u> \$'000	<u>Others</u> ¹ \$'000	<u>Consolidated</u> \$'000
Half year ended 30 June 2023				
Total segment revenue	101,754	-	9,860	111,614
Inter-segment revenue	-	-	(491)	(491)
Revenue from external parties	101,754	-	9,369	111,123
Dividend income	-	70,051	-	70,051
Interest income	-	11,376	-	11,376
Miscellaneous income	361	15	260	636
Total other income	361	81,442	260	82,063
Total revenue and other income	<u>102,115</u>	<u>81,442</u>	<u>9,629</u>	<u>193,186</u>
Depreciation	1,665	55	1,227	2,947
Finance expense	14	683	-	697
Segment profit	<u>29,140</u>	<u>80,200</u>	<u>5,125</u>	114,465
Unallocated expenses				(5,226)
Share of profit of associated company	-	1,897	-	1,897
Profit before taxation				<u>111,136</u>
Taxation				(6,996)
Earnings for the financial period				<u>104,140</u>
As at 31 December 2023				
Segment assets	<u>152,991</u>	<u>3,385,485</u>	<u>51,440</u>	3,589,916
Tax recoverable				553
Deferred income tax assets				2,709
Total assets per statement of financial position				<u>3,593,178</u>
Segment liabilities	<u>62,703</u>	<u>36,687</u>	<u>5,917</u>	105,307
Current income tax liabilities				11,106
Deferred income tax liabilities				762
Total liabilities per statement of financial position				<u>117,175</u>

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

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

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

The statements of financial position of Haw Par Corporation Limited (“the Company”) and its subsidiaries (“the Group”) as at 30 June 2024 and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity, statement of changes in equity and consolidated statement of cashflows for the six-month period then ended and explanatory notes have not been audited or reviewed.

16. Review of performance of the Group

Income statement - 6 months ended 30 June 2024 (“1H2024”) vs 6 months ended 30 June 2023 (“1H2023”)

For 1H2024, Group’s revenue picked up 6.3% to \$118.1m as the demand for Healthcare products remained robust. However, cost of sales increased by 11.4% to \$53.7m due mainly to higher overheads and labour cost. Consequently, gross margin dipped from 56.7% to 54.6%.

Other income increased 18.4% to \$97.2m due mainly to higher dividend rate from strategic and long term investments, and higher interest income derived from higher interest rates as compared to financial period ended 1H2023.

General and administrative expenses normalised to \$6.2m (a 36.7% drop from 1H2023 as the Group made a one-off donation in 1H2023). The decrease in expenses was also due to net favourable exchange differences recorded in 1H2024 in contrast to foreign exchange losses in 1H2023.

Finance expenses increased 49.8% to \$1.0m due mainly to increase in loans drawn and higher interest rates on borrowings in 1H2024.

Statement of financial position (30 June 2024 vs 31 December 2023)

Cash and bank balances decreased 15.9% due mainly to investments in Singapore Government Treasury Bills, increase in dividends paid to members of the Company and purchase of long term investments, partially offset by the receipt of dividends from strategic and long term investments and higher interest income received.

Investments in debt securities grew 80.3% to \$335.2m due mainly to additional investments in Singapore Government Treasury Bills.

Inventories increased 12.8% to \$21.4m due mainly to higher production and timing differences of goods shipped out.

Borrowings increased 30.3% to \$36.3m due mainly to additional borrowings to partially hedge the foreign currency exposure of long term investments purchased during the financial period.

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

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

No forecast or prospect statement was previously made in respect of the half year ended 30 June 2024 results.

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

Global economic uncertainty and heightened geopolitical risks may undermine the growth prospects of the Group’s businesses. Increasing cost pressures may also continue to weigh down on the Group’s operating margins.

19. Dividend information

	2024	2023
Name of Dividend	First & Interim	First & Interim
Dividend type	Cash	Cash
Dividend amount per share	20 cents per ordinary share tax-exempt (one-tier)	20 cents per ordinary share tax-exempt (one-tier)

The Share Transfer Books and Register of Members of the Company will be closed on 23 August 2024, 5.00 pm. Duly completed transfers in respect of ordinary shares in the capital of the Company (“Shares”) received by the Company’s Registrar up to 5.00 pm on 23 August 2024 will be registered to determine shareholders’ entitlement to the First & Interim Dividend. Shareholders whose securities accounts with The Central Depository (Pte) Limited which are credited with Shares as at 5.00 pm on 23 August 2024 will be entitled to such proposed dividend.

The 2024 First & Interim Dividend will be paid on 10 September 2024.

20. Interested Person Transactions Mandate

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

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

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



OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

22. Confirmation by the Board

The Board of Directors hereby confirms that, to the best of its knowledge, nothing has come to its attention which may render the unaudited financial results of the Group for the half year ended 30 June 2024 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Chiew Kun Long, Alvin
Company Secretary
14 August 2024