



HAW PAR CORPORATION LIMITED

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

CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED AND FULL YEAR ENDED 31 DECEMBER 2022

Contents	Page
Condensed Interim Consolidated Income Statement	1
Condensed Interim Consolidated Statement of Comprehensive Income	1
Condensed Interim Statements of Financial Position	2
Condensed Interim Consolidated Statement of Changes in Equity	3
Condensed Interim Statement of Changes in Equity	4
Condensed Interim Consolidated Statement of Cash Flows	5
Selected Notes to the Condensed Interim Consolidated Financial Statements	6
Other Information Required by Listing Rule Appendix 7.2	17

HAW PAR CORPORATION LIMITED

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

Condensed Interim Consolidated Financial Statements for the Six Months and Full Year Ended 31 December 2022

CONDENSED INTERIM CONSOLIDATED INCOME STATEMENT

	Note	The Group			The Group		
		6 Months Ended 31 December			Full Year Ended 31 December		
		2022	2021	+ / (-)	2022	2021	+ / (-)
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
		(Unaudited)	(Unaudited)		(Audited)	(Audited)	
Revenue	4	86,566	75,348	14.9	182,092	141,180	29.0
Cost of sales		(39,915)	(36,160)	10.4	(83,526)	(67,538)	23.7
Gross profit		46,651	39,188	19.0	98,566	73,642	33.8
Other income	5	53,397	46,940	13.8	112,990	88,288	28.0
Distribution and marketing expenses		(13,194)	(22,248)	(40.7)	(36,167)	(38,343)	(5.7)
General and administrative expenses		(10,726)	(4,838)	121.7	(19,020)	(10,602)	79.4
Finance expenses		(459)	(13)	3,430.8	(525)	(27)	1,844.4
Share of profit of associated company		1,465	1,568	(6.6)	3,125	3,222	(3.0)
Profit before taxation		77,134	60,597	27.3	158,969	116,180	36.8
Taxation	7	(6,040)	(3,471)	74.0	(10,653)	(6,077)	75.3
Profit for the financial period, net of tax		71,094	57,126	24.5	148,316	110,103	34.7
Earnings per share attributable to equity holders of the Company							
- Basic		32.1 cents	25.8 cents		67.0 cents	49.8 cents	
- Diluted		32.1 cents	25.8 cents		67.0 cents	49.8 cents	

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	The Group			The Group		
	6 Months Ended 31 December			Full Year Ended 31 December		
	2022	2021	+ / (-)	2022	2021	+ / (-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
	(Unaudited)	(Unaudited)		(Audited)	(Audited)	
Profit for the financial period, net of tax	71,094	57,126	24.5	148,316	110,103	34.7
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)	(2,631)	242	N/M	(4,060)	201	N/M
<i>Items that will not be reclassified subsequently to profit or loss:</i>						
Fair value changes on investments (net)	292,020	64,592	352.1	259,186	280,913	(7.7)
Other comprehensive income for the financial period, net of tax	289,389	64,834	346.4	255,126	281,114	(9.2)
Total comprehensive income for the financial period	360,483	121,960	195.6	403,442	391,217	3.1

N/M - not meaningful

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	The Group		The Company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Note	S\$'000	S\$'000	S\$'000	S\$'000
	(Audited)	(Audited)	(Audited)	(Audited)
ASSETS				
Cash and bank balances	334,268	596,226	218,112	487,058
Investment in debt securities	294,957	-	-	-
Trade and other receivables	26,871	32,159	368,054	29,634
Inventories	19,248	13,175	-	-
Tax recoverable	197	523	-	-
Deferred income tax assets	3,130	4,283	-	-
Associated company	15,769	13,044	2,895	2,895
Subsidiaries	-	-	562,561	562,561
Investment properties	50,056	53,070	-	-
Property, plant and equipment	50,397	31,984	-	-
Intangible assets	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	64,538	65,667	57,636	61,092
Borrowings	10 28,501	-	28,501	-
Current income tax liabilities	7,458	5,524	1,150	544
Deferred income tax liabilities	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	11 268,911	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

CONDENSED INTERIM 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		
Note		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
The Group								
2022								
(Audited)								
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	8	-	-	-	-	-	(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								
(Audited)								
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	8	-	-	-	-	-	(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.

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

	Note	Share Capital \$'000	Capital Reserve \$'000	Retained Profits \$'000	Total Equity \$'000
The Company					
2022					
Balance at 1 January 2022		268,702	126	751,684	1,020,512
Issue of share capital		209	-	-	209
Dividends paid	8	-	-	(66,410)	(66,410)
Total comprehensive income for the financial year		-	-	110,024	110,024
Balance at 31 December 2022		268,911	126	795,298	1,064,335
2021					
Balance at 1 January 2021		267,232	126	730,454	997,812
Issue of share capital		1,470	-	-	1,470
Dividends paid	8	-	-	(66,377)	(66,377)
Total comprehensive income for the financial year		-	-	87,607	87,607
Balance at 31 December 2021		268,702	126	751,684	1,020,512

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	The Group	
	Full Year Ended 31 December	
	2022	2021
	S\$'000	S\$'000
	(Audited)	(Audited)
Cash flows from operating activities		
Profit before tax	158,969	116,180
Adjustments for:		
Dividend income	(103,970)	(84,909)
Interest income	(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	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	-	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	(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	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	333,778	596,024
Cash and cash equivalents comprised the following:		
Cash and bank balances	334,268	596,226
Less: Bank deposits pledged for banking facilities	(490)	(202)
	333,778	596,024



NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the six months and full year ended 31 December 2022

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 the year ended 31 December 2022 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)s”). 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 2022.

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 2021.

On 1 January 2022, the Group has adopted the new or amended SFRS(I)s and Interpretations to SFRS(I)s (“INT SFRS(I)s”) 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 periods.

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

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the six months and full year ended 31 December 2022

3. Seasonal operations

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

4. Revenue

(a) Revenue consists of the following:

	The Group			
	6 months ended		Full Year ended	
	31 December		31 December	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
	(Unaudited)	(Unaudited)	(Audited)	(Audited)
Sale of goods	77,544	67,124	164,527	124,500
Rendering of services	1,181	147	1,949	212
Rental income	7,841	8,077	15,616	16,468
Total revenue	86,566	75,348	182,092	141,180

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 \$7,841,000 (2021: \$8,077,000) for the six months ended 31 December 2022 and \$15,616,000 (2021: \$16,468,000) for the full year ended 31 December 2022, the remaining revenue relates to revenue from contracts with customers under SFRS(I) 15.

(b) A breakdown of sales:

	The Group		
	2022	2021	+ / (-)
	\$'000	\$'000	%
	(Unaudited)	(Unaudited)	
Sales reported for the first half year	95,526	65,832	45.1
Operating profit after tax reported for first half year	77,222	52,977	45.8
Sales reported for the second half year	86,566	75,348	14.9
Operating profit after tax reported for second half year	71,094	57,126	24.5

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the six months and full year ended 31 December 2022

5. Other income

	The Group			
	6 months ended		Full Year ended	
	31 December		31 December	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
	(Unaudited)	(Unaudited)	(Audited)	(Audited)
Dividend income	46,392	44,911	103,970	84,909
Interest income	6,124	982	7,779	1,659
Miscellaneous income	881	1,047	1,241	1,720
Total other income	53,397	46,940	112,990	88,288

6. Selected expenses

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

	The Group			
	6 months ended		Full Year ended	
	31 December		31 December	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
	(Unaudited)	(Unaudited)	(Audited)	(Audited)
Interest on borrowings	446	-	501	-
Depreciation of property, plant and equipment and investment properties	2,831	3,176	5,684	6,463
Inventories written down	176	386	45	399
Foreign exchange loss/(gain), net	2,149	(637)	2,441	(921)
Loss on disposal and write-off of property plant and equipment	19	4	22	12

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the six months and full year ended 31 December 2022

7. Taxation

	The Group			
	6 months ended		Full Year ended	
	31 December		31 December	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
	(Unaudited)	(Unaudited)	(Audited)	(Audited)
Tax expense attributable to profit is made up of:				
Current taxation:				
Current year	5,234	4,305	9,700	6,942
(Over)/under provision in respect of previous years	(80)	82	(3)	(8)
	5,154	4,387	9,697	6,934
Deferred taxation:				
Origination and reversal of temporary differences	870	(902)	885	(939)
Under/(over) provision in respect of previous years	16	(14)	71	82
	886	(916)	956	(857)
	6,040	3,471	10,653	6,077

8. Dividends

	The Group	
	2022	2021
	\$'000	\$'000
(Audited)		
<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
Dividend per share (net of tax)	30 cents	30 cents

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the six months and full year ended 31 December 2022

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	
	31/12/2022	31/12/2021
(Audited)	\$'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

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.

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.

10. Borrowings

	The Group and The Company	
	31/12/2022	31/12/2021
(Audited)	\$'000	\$'000
<u>Amount repayable in one year or less, or on demand</u>		
Secured	28,501	-
Unsecured	-	-
<u>Amount repayable after one year</u>		
Secured	-	-
Unsecured	-	-

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

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the six months and full year ended 31 December 2022

11. Share capital

	The Group and the Company			
	31/12/2022		31/12/2021	
(a)	Number of issued shares	Amount \$'000	Number of issued shares	Amount \$'000
(Audited)				
Beginning of financial year	221,347,173	268,702	221,191,173	267,232
Issue of ordinary shares by virtue of exercise of share options	21,000	209	156,000	1,470
End of financial year	221,368,173	268,911	221,347,173	268,702

(b) Since 30 June 2022, no shares were issued pursuant to the exercise of share options.

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

	The Group and the Company	
	31/12/2022	31/12/2021
Haw Par Corporation Group 2002 Share Option Scheme	-	21,000

As of 31 December 2022, all remaining share options granted under the Haw Par Corporation Group 2002 Share Option Scheme have been exercised and there are no outstanding share options.

The Company did not hold any treasury shares and there were no subsidiary holdings as at 31 December 2022 and 31 December 2021.

12. Net asset value

	The Group		The Company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	\$	\$	\$	\$
Net asset value per ordinary share	16.03	14.51	4.81	4.61

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 six months and full year ended 31 December 2022

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

(a) Reportable segments

	<u>Healthcare products</u>	<u>Investments</u>	<u>Others</u> ¹	<u>Consolidated</u>
	\$'000	\$'000	\$'000	\$'000
6 months ended 31 December 2022 (Unaudited)				
Total segment revenue	77,270	-	9,786	87,056
Inter-segment revenue	-	-	(490)	(490)
Revenue from external parties	77,270	-	9,296	86,566
Dividend income	-	46,392	-	46,392
Interest income	-	6,124	-	6,124
Miscellaneous income	107	521	253	881
Total other income	107	53,037	253	53,397
Total revenue and other income	<u>77,377</u>	<u>53,037</u>	<u>9,549</u>	<u>139,963</u>
Depreciation	1,517	52	1,262	2,831
Finance expenses	13	446	-	459
Segment profit	<u>22,432</u>	<u>50,510</u>	<u>5,333</u>	78,275
Unallocated expenses				(2,606)
Share of profit of associated company	-	1,465	-	<u>1,465</u>
Profit before taxation				77,134
Taxation				<u>(6,040)</u>
Earnings for the interim period				<u>71,094</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 six months and full year ended 31 December 2022

14. Segment information (continued)

(a) Reportable segments (continued)

	<u>Healthcare products</u>	<u>Investments</u>	<u>Others</u> ¹	<u>Consolidated</u>
	\$'000	\$'000	\$'000	\$'000
6 months ended 31 December 2021 (Unaudited)				
Total segment revenue	67,085	-	8,726	75,811
Inter-segment revenue	-	-	(463)	(463)
Revenue from external parties	67,085	-	8,263	75,348
Dividend income	-	44,911	-	44,911
Interest income	-	982	-	982
Miscellaneous income	509	271	267	1,047
Total other income	509	46,164	267	46,940
Total revenue and other income	<u>67,594</u>	<u>46,164</u>	<u>8,530</u>	<u>122,288</u>
Depreciation	1,532	68	1,576	3,176
Finance expenses	13	-	-	13
Segment profit	<u>9,815</u>	<u>46,839</u>	<u>4,366</u>	61,020
Unallocated expenses				(1,991)
Share of profit of associated company	-	1,568	-	<u>1,568</u>
Profit before taxation				60,597
Taxation				<u>(3,471)</u>
Earnings for the interim period				<u>57,126</u>
Full Year ended 31 December 2022 (Audited)				
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>	161,124
Unallocated expenses				(5,280)
Share of profit of associated company	-	3,125	-	<u>3,125</u>
Profit before taxation				158,969
Taxation				<u>(10,653)</u>
Earnings for the financial year				<u>148,316</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 six months and full year ended 31 December 2022

14. Segment information (continued)

(a) Reportable segments (continued)

	<u>Healthcare products</u>	<u>Investments</u>	<u>Others</u> ¹	<u>Consolidated</u>
	\$'000	\$'000	\$'000	\$'000
Full Year ended 31 December 2022 (Audited) (continued)				
Segment assets	123,524	3,470,125	53,150	3,646,799
Tax recoverable				197
Deferred income tax assets				3,130
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	51,561	35,790	5,688	93,039
Current income tax liabilities				7,458
Deferred income tax liabilities				912
Total liabilities per statement of financial position				<u>101,409</u>
Full Year ended 31 December 2021 (Audited)				
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	<u>125,284</u>	<u>86,889</u>	<u>17,295</u>	<u>229,468</u>
Depreciation	3,120	116	3,227	6,463
Finance expenses	27	-	-	27
Segment profit	<u>21,328</u>	<u>87,888</u>	<u>8,878</u>	118,094
Unallocated expenses				(5,136)
Share of profit of associated company	-	3,222	-	3,222
Profit before taxation				<u>116,180</u>
Taxation				(6,077)
Earnings for the financial year				<u>110,103</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 six months and full year ended 31 December 2022

14. Segment information (continued)

(a) Reportable segments (continued)

	Healthcare products	Investments	Others¹	Consolidated
	\$'000	\$'000	\$'000	\$'000
As at 31 December 2021 (Audited)				
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				<u>3,283,561</u>
Expenditures for segment non-current assets				
- Additions to property, plant and equipment	4,316	69	45	4,430
- Investment properties improvements	-	-	113	113
	<u>4,316</u>	<u>69</u>	<u>158</u>	<u>4,543</u>
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				<u>72,085</u>

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

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

	The Group	
	Year ended 31 December 2022	2021
	\$'000	\$'000
(Audited)		
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	<u>182,092</u>	<u>141,180</u>
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	<u>127,338</u>	<u>109,214</u>

(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.



NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the six months and full year ended 31 December 2022

14. Segment information (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.

OTHER INFORMATION

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

Full year ended 31 December 2022

The figures for the full year ended 31 December 2022 have been extracted from the Company's full financial statements and audited by the Company's independent auditor in accordance with Singapore Standards on Auditing.

16. Where the figures have been audited or reviewed, the auditor's report (including any emphasis of a matter)

The independent auditor's report on the full financial statements of Haw Par Corporation Limited for the financial year ended 31 December 2022 is as follows:

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.

OTHER INFORMATION

16. Where the figures have been audited or reviewed, the auditor’s report (including any emphasis of a matter) (continued)

INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF HAW PAR CORPORATION LIMITED (continued)

For the financial year ended 31 December 2022

Independence

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 31 December 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.

16. Where the figures have been audited or reviewed, the auditor's report (including any emphasis of a matter) (continued)**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
HAW PAR CORPORATION LIMITED (continued)**

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.
- 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.

OTHER INFORMATION

16. Where the figures have been audited or reviewed, the auditor's report (including any emphasis of a matter) (continued)

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

For the financial year ended 31 December 2022

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

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

17. Review of performance of the Group6 months ended 31 December 2022 (“2H2022”) v 6 months ended 31 December 2021 (“2H2021”)

2H2022 Group revenue increased by 14.9% to \$86.6m as Healthcare sales to key Asian markets improved. Cost of sales increased 10.4% to \$39.9m with increased sales. Gross margin improved by 1.9 percentage points to 53.9% with higher production capacity utilisation.

Other income increased by 13.8% to \$53.4m due mainly to higher interest income earned from the rise in interest rate during 2H2022.

Distribution and marketing expenses decreased by 40.7% to \$13.2m as marketing activities normalised in 2H2022 compared to increase in marketing activities in 2H2021 to drive sales with the easing of restrictions in 2H2021.

General and administrative expenses increased to \$10.7m due mainly to foreign exchange loss in 2H2022 compared to gain in 2H2021, and increase in staff costs.

Finance expense increased to \$459k due mainly to interest expense on bank borrowings.

Year ended 31 December 2022 – Income statement and segmental information

As global economies recover from the pandemic, improvement in consumer spending on Healthcare’s products resulted in the Group’s revenue to increase by 29.0% to \$182.1m and cost of sales to increase by 23.7% to \$83.5m. Gross margin improved by 1.9 percentage points to 54.1% as utilisation of production capacity further improved from 2021.

Against last year, Healthcare recorded a 31.8% increase in revenue to \$164.1m and 88.5% 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 7.7% to \$18.0m 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 visitorship. 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 16.1% to \$10.3m due mainly to the rebound of tourism industry at UWP.

Other income increased 28.0% to \$113.0m due mainly to increased dividend payouts from strategic and long term investments, along with higher interest income from surge in interest rates in 2H2022.

General and administrative expenses increased to \$19.0m due mainly to foreign exchange loss in 2022 compared to gain in 2021, and general increase in staff costs.

Finance expense increased to \$525k due mainly to interest expense on the loan drawn down during the year.

17. Review of performance of the Group (continued)Statements of financial position

Cash and bank balances decreased 43.9% to \$334.3m due mainly to the purchase of debt securities and long term investments.

During the second half of 2022, the Group invested in Singapore Government Treasury Bills which are measured at amortised cost.

Trade and other receivables decreased 16.4% to \$26.9m due mainly to timing difference of sales and collection.

Inventories increased 46.1% to \$19.3m due mainly to higher production volume as demand for Healthcare products improved.

Property, plant and equipment increased 57.6% to \$50.4m due mainly to the construction of the new plant in Malaysia.

Strategic and long term investments increased by 12.5% to \$2.8b due mainly to purchase of long term investments during the year and higher overall market valuations of investments as at year-end.

Borrowings increased to \$28.5m to partially hedge foreign currency denominated long term investments purchased.

18. 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 six months and full year ended 31 December 2022 results.

19. 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.

With the tightening of monetary policies to contain high inflation and prolonged geopolitical tensions, concerns are growing that a broad-based slowdown of the global economy may dampen consumer spending. Nonetheless, with pandemic-related restrictions largely lifted around the world, the return to normalcy will help support the recovery of the Group's operating businesses.

OTHER INFORMATION

20. Dividend information

	2022		2021	
	Second & Final (Proposed)	First & Interim	Second & Final	First & Interim
Name of Dividend				
Dividend Type	Cash	Cash	Cash	Cash
Dividend amount per share	15 cents per ordinary share tax-exempt (one-tier)	15 cents per ordinary share tax-exempt (one-tier)	15 cents per ordinary share tax-exempt (one-tier)	15 cents per ordinary share tax-exempt (one-tier)

Subject to shareholder's approval for the payment of the proposed Second & Final Dividend, the 2022 Second & Final Dividend will be paid on 24 May 2023.

The Share Transfer Books and Register of Members of the Company will be closed on 8 May 2023, 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 8 May 2023 will be registered to determine shareholders' entitlement to the Second & Final Dividend. Shareholders whose securities accounts with The Central Depository (Pte) Limited which are credited with Shares as at 5.00 pm on 8 May 2023 will be entitled to such proposed dividend.

21. Interested Person Transactions Mandate

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

22. 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.

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

Other than those stated in Item 17 above, there were no major factors leading to material changes in contributions to turnover and earnings by the business or geographical segments.

OTHER INFORMATION

24. Disclosure of persons occupying managerial positions who are related to a director, CEO or substantial shareholder.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties and the year the position was held	Details of changes in duties and position held, if any, during the year
Wee Ee Lim	61	Mr Wee Ee Lim, is the son of Dr Wee Cho Yaw, the Non-Executive Chairman and a substantial shareholder of the Company. He is also the brother of Mr Wee Ee-chao, a Non-Executive Deputy Chairman and substantial shareholder of the Company.	Mr Wee is the President and Chief Executive Officer of the Company since 2003. He is responsible for the day-to-day operations and management of the Group.	There was no change in duties and position held during the financial year ended 31 December 2022.
Kelvin Whang Sung Tze	61	Mr Whang is the brother-in-law of Mr Wee Ee Lim who is the President and Chief Executive Officer and substantial shareholder of Haw Par Corporation Limited.	Mr Whang is the General Manager of Underwater World Pattaya Ltd (“UWP”), a Thai subsidiary in the Group. He is responsible for the day-to-day operations and management of UWP.	There was no change in duties and position held during the financial year ended 31 December 2022.

BY ORDER OF THE BOARD

Chiew Kun Long Alvin
Company Secretary
23 February 2023