



虎豹 Haw par

**HAW PAR  
CORPORATION  
LIMITED**

**ANNUAL REPORT 2020**

# Corporate Profile

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.

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.

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## Chairman's Statement

The outbreak of COVID-19 pandemic impacted the Group's performance in 2020. The lockdown of countries and travel restrictions had an adverse knock-on impact on the Group's operating businesses. Earnings decreased by 34% to \$120 million on the back of lower operating profit and lower dividend income from strategic investments. Healthcare's profit dropped significantly by 78% from \$75 million to \$16 million mainly due to lower sales from the sharp decline in consumerism.

Group revenue decreased 54% from \$244 million to \$111 million. Sales of Healthcare products fell 58% to \$93 million as the demand for Tiger Balm products dropped significantly from government-imposed travel restrictions and domestic lockdowns.

### Highlights of Operations

Movement restrictions and global economic recession negatively affected consumer spending and demand for Tiger Balm products. Leveraging our global alliances and partnerships, we were able to scale Tiger Balm's presence and availability of our products on e-commerce platforms, capitalizing on the emerging shift to digital. In the social space, Team Tiger Balm ambassadors built digital communities as they connected with consumers in their times of need for self-care. Sales for Tiger Balm held up quite well in core European and North American markets, which have a sizable domestic consumer base.

As business continuity and pandemic protocols were activated swiftly, we did not experience significant disruptions to our supply chains. In a

TURNOVER

**\$111**  
MILLION

PROFIT  
AFTER TAX

**\$120**  
MILLION



move to diversify supply source and reduce operating costs, Healthcare completed the acquisition of a plot of freehold land in Johor, Malaysia, in 2020 to construct a new manufacturing facility.

Visitorship at Leisure's Underwater World Pattaya fell significantly as Thailand was largely closed to foreign tourists from late March 2020. Due to lockdown measures, the aquarium was also temporarily closed from April to June 2020. The aquarium reopened in July with new programming coupled with marketing efforts focused on attracting domestic tourists and improving the quality of visitor experiences.

Property's revenue and average occupancy held up in 2020. Improvements such as replacement of chillers to more energy efficient ones were completed during the year as part of periodic enhancements to our investment properties to remain competitive.

### Dividend

The Board recommends 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 2020 is 30 cents per share, maintaining the same total dividend per share as 2019.

### Business Outlook and Strategy

The global economy remains uncertain with several countries experiencing a resurgence in COVID-19 infections and delays in the rollout of vaccines. The Group anticipates 2021 to be another tough year as recovery from the devastating impact of the pandemic

may be uncertain and uneven.

To keep up with changing times, Healthcare will drive local consumption in key markets and work with our distributors to grow Tiger Balm's presence and product range on local e-commerce platforms. A diversified product range, beyond the traditional ointment and plaster offering, will also cater to broader consumer needs as seen in the growth in demand for the Tiger Balm Mosquito Repellent range. Healthcare has been adopting a

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capitalizing on  
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strategic approach in introducing new products in certain markets that take into consideration local consumer preferences and country-specific regulatory requirements.

Underwater World Pattaya will continue to be under pressure if international travel restrictions persist and the tourism industry in the region is slow to recover. We will keep up efforts to innovate and develop new product offerings to attract domestic

tourists and encourage repeat visitors. The attraction is prepared to face potential obstacles that lay ahead.

Demand for office space in Singapore and Malaysia will also be dampened as remote working arrangements remain in place.

With prudent management cultivated over the years, the Group is well placed to navigate evolving challenges. The Group will also continue to proactively seek new investment opportunities that may arise in the current economic climate.

### Acknowledgement

I would like to welcome Mr Low Weng Keong, our new independent director, who joined the Board on 19 June 2020.

Dr Chew Kia Ngee and Mr Peter Sim have decided not to seek re-appointment at the coming Annual General Meeting. The Board would like to thank them for their dedication and contributions.

I am grateful to my fellow board members for their wise counsel in the past year and look forward to their continued guidance in another challenging year ahead. On behalf of the Board, I would like to thank the staff and management for their dedication and hard work, and our customers, business associates and shareholders for their unstinting support. Just as we have done so in the past when we encountered economic downturns, we believe that if we make concerted efforts to overcome difficulties, we will be able to emerge from the present pandemic driven crisis stronger than before.

### Wee Cho Yaw

Chairman  
February 2021



## 主席致辞

2019新型冠状病毒的爆发影响了集团2020年的表现。许多国家实施了封锁和旅行限制，对集团的营运业务造成不利的连锁效应。由于营运盈利和策略投资的股息收入减少，集团税后盈利下降了34%至1亿2000万元。保健业务盈利大幅度下降了78%，由7500万元下降至1600万元。这主要归因于世界消费锐减，导致销售额下降。

集团营业额下降了54%，由2亿4400万元下降至1亿1100万元。各国政府实行的旅行限制和国内封锁措施，导致虎标产品的需求量锐减，使保健产品销售额下降了58%至9300万元。

### 营运重点摘要

行动限制和全球经济衰退，对消费者的消费和虎标产品的需求造成了负面影响。凭借集团的全球业务网和伙伴关系，我们利用数字化转向，扩大了虎标产品在电子商务平台上的覆盖面和供应。虎标品牌大使团队在社交空间建立了数字社区，与消费者保持联系互动，在他们需要自我护理的时候给予鼓励。欧洲和北美拥有可观的国内消费市场，虎标产品在这两个主要市场的销量均保持良好。

由于我们迅速地启动了业务持续性计划和疫情防控程序，我们的供应链并未遭受大的破坏。为了确保供应来源的多元化和减少营运成本，保健业务在2020年完成一项位于马来

营业额

**1亿1100万元**

除税后盈利

**1亿2000万元**

西亚柔佛州永久地契土地的收购，以建设新的制造厂。

泰国自2020年3月底开始限制外国游客入境，使芭堤雅海底世界的访客流量大幅度减少。海底世界也因为封锁措施而于2020年4月至6月暂时关闭。海底世界于7月份重新开放，并推出了全新项目和营销活动，以吸引国内游客和提高游客体验质量。

2020年的物业租金收入和出租率皆保持良好。我们在本年完成了一系列的提升工作，例如改用更节能的冷水机。这是我们为保持竞争力而对物业进行定期更新的项目之一。

### 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每股15分，截至2020年12月31日财年的每股总计股息为30分，维持与2019年相同。

### 业务展望及策略

随着新冠病例在一些国家再度激增以及疫苗接种延迟，世界经济形势持续不明朗。在疫情的重大冲击下，全球复苏不均，可能充满不确定性和坎坷。集团预计2021将是另一个充满挑战的一年。

为了与时俱进，保健业务将推动关键市场的本地消费，并与我们的分销商合作，以开拓虎标的当地电

市场，提升品牌线上渗透率及丰富产品组合。虎标驱蚊剂系列的需求增长显示，除了传统的药膏和药布之外，提供多元化的产品能够迎合广大消费者的需求。保健业务采取了精准产品策略，推出针对目标市场消费者的需求并符合当地监管当局要求的新产品。

**凭借集团的全球业务网和伙伴关系，我们利用数字化转向，扩大了虎标产品在电子商务平台上的覆盖面和供应。**

如果国际旅行限制持续，并且区域旅游业复苏缓慢，芭堤雅海底世界将持续面对巨大压力。我们将继续推陈出新以吸引当地游客和鼓励重复访客。海底世界已为迎接未来挑战做好充分准备。

随着远程办公的安排持续不变，新加坡和马来西亚对办公空间的需求也将出现下滑。

集团多年来建立起严谨审慎的管理理念，具备应对复杂多变挑战的能力。集团也将继续积极寻求在当前经济形势下可能出现的投资机遇。

### 致谢

董事局于2020年6月19日委任刘文强先生为本集团独立董事，本人谨此欢迎刘先生加入董事局。

董事周家羲博士和沈瑞炎先生已决定不在来临的年度股东大会上寻求连任。董事局谨此感谢他们对本集团的付出和贡献。

本人对董事局同仁年内提供的真知灼见与支持致以谢意，并期盼在下一个充满挑战的一年中能继续予以指导。本人也谨此代表董事局感谢管理层和全体员工的不懈努力，以及客户、商业伙伴和股东对集团的长期支持。我们深信，就如过去经历过的经济危机一样，只要携手努力，我们必能化危为机，从这次的疫情逆境中蜕变得更强大。

### 黄祖耀

主席  
2021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: 18 April 2019

Dr Wee Cho Yaw, 92, 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 2020):

- United Overseas Insurance Limited (Chairman)
- UOL Group Limited (Chairman)
- United Industrial Corporation 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 2016 to 31 December 2020):

- 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 Director**

First appointed as a Director: 8 July 2003  
Last re-elected as a Director: 10 June 2020

Mr Wee Ee-chao, 66, 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 2020):

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

### Other Major Appointments/Principal Commitments:

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

### Past Directorships in Listed Companies and Principal Commitments held over the preceding five years (1 January 2016 to 31 December 2020):

- UOB Kay Hian Securities (Thailand) Public Co Limited (listed on the Stock Exchange of Thailand) (till April 2016)

### Professional Qualifications:

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



## Wee Ee Lim

**President & CEO**  
**Executive and Non-Independent Director**

First appointed as a Director: 23 March 1994  
Last re-elected as a Director: 24 April 2018

Mr Wee Ee Lim, 59, is the President & CEO of the Company. He is closely involved in the management and growth of Haw Par group of companies for more than 30 years.

### Board Committee(s) served on:

- Investment Committee (Member)

### Present Directorships in other listed companies (as at 31 December 2020):

- UOL Group Limited (Deputy Chairman)
- United Industrial Corporation 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 2016 to 31 December 2020):

Nil

### Professional Qualifications:

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



## Sat Pal Khattar

**Non-Executive and Independent Director**

First appointed as a Director: 1 January 1977  
Last re-appointed as a Director: 18 April 2019

Mr Sat Pal Khattar, 78, is a Non-Executive and Independent Director of the Company. He is the Chairman and Director of Khattar Holdings Pte Ltd group of companies which is principally engaged in investments.

### Board Committee(s) served on:

- Remuneration Committee (Chairman)
- Nominating Committee (Chairman)

### Present Directorships in other listed companies (as at 31 December 2020):

Nil

### Other Major Appointments/Principal Commitments:

Nil

### Past Directorships in Listed Companies and Principal Commitments held over the preceding five years (1 January 2016 to 31 December 2020):

Nil

### Professional Qualifications:

- LLB degree and LLB (Hons) degree from the University of Singapore
- Padma Shri (2011) (India)
- SICCI-DBS Singapore-India Business Award (2009)



## Hwang Soo Jin

**Non-Executive and Non-Independent Director**

First appointed as a Director: 28 October 1986  
Last re-appointed as a Director: 18 April 2019

Mr Hwang Soo Jin, 85, is a Non-Executive and Independent Director of the Company. He is a veteran insurer, with more than 50 years of experience in the industry.

He was a Director of a number of other public listed companies previously.

### Board Committee(s) served on:

Nil

### Present Directorships in other listed companies (as at 31 December 2020):

- United Industrial Corporation Limited (Director)
- United Overseas Insurance Limited (Director)

### Other Major Appointments/Principal Commitments:

- Singapore Reinsurance Corporation Ltd (Senior Adviser, Chairman Emeritus)

### Past Directorships in Listed Companies and Principal Commitments held over the preceding five years (1 January 2016 to 31 December 2020):

- Singapore Reinsurance Corporation Limited (till April 2019)

### Professional Qualifications:

- Chartered Insurer of the Chartered Insurance Institute UK
- Honorary Fellow of the Singapore Insurance Institute
- Lifetime Achievements Award (Asia Insurance Industry Award) (2013)

# Board of Directors



## Lee Suan Yew

### Non-Executive and Independent Director

First appointed as a Director: 18 December 1995  
Last re-appointed as a Director: 18 April 2019

Dr Lee Suan Yew, 87, is a Non-Executive and Independent Director of the Company. He is a medical practitioner with over 50 years' experience.

Dr Lee was appointed Justice of the Peace from 1998-2008 and President of the Singapore Medical Council for 4 years (2000-2004). He was also Chairman of the Singapore National Medical Ethics Committee (2007 and 2008).

#### Board Committee(s) served on:

Nil

#### Present Directorships in other listed companies (as at 31 December 2020):

Nil

#### Other Major Appointments/Principal Commitments:

Nil

#### Past Directorships in Listed Companies and Principal Commitments held over the preceding five years (1 January 2016 to 31 December 2020):

- K1 Ventures Limited (till February 2018)

#### Professional Qualifications:

- MBBS Chir. Degree from the University of Cambridge
- MRCP and FRCP from the Royal College of Physicians, Glasgow
- Public Service Star (Bar) (2002)
- Public Service Star (1991)



## Chew Kia Ngee

### Non-Executive and Independent Director

First appointed as a Director: 11 May 2011  
Last re-elected as a Director: 24 April 2018

Dr Chew Kia Ngee, 75, is a Non-Executive and Independent Director of the Company. He is a Chartered Accountant with about 40 years' experience in the public accounting profession.

#### Board Committee(s) served on:

- Audit and Risk Committee (Chairman)

#### Present Directorships in other listed companies (as at 31 December 2020):

Nil

#### Other Major Appointments/Principal Commitments:

- Singapore Eye Foundation (Board Member)
- Kong Meng San Phor Kark See Monastery (Audit Committee Member)

#### Past Directorships in Listed Companies and Principal Commitments held over the preceding five years (1 January 2016 to 31 December 2020):

- Miclyn Express Offshore Ltd (Board Member) (resigned on 1 October 2020)

#### Professional Qualifications:

- Bachelor of Economics (Honours) degree from the University of Malaya
- Master of Commerce from the University of Melbourne
- PhD in Business and Management from the University of South Australia
- Fellow of Institute of Chartered Accountants in Australia
- Fellow of CPA Australia
- Fellow of Institute of Singapore Chartered Accountants



## Peter Sim Swee Yam

### Non-Executive and Independent Director

First appointed as a Director: 11 May 2011  
Last re-elected as a Director: 24 April 2018

Mr Peter Sim Swee Yam, 65, is a Non-Executive and Independent Director of the Company. He is a practising lawyer and Director of Sim Law Practice LLC and has more than 30 years of legal practice.

#### Board Committee(s) served on:

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

#### Present Directorships in other listed companies (as at 31 December 2020):

- Lum Chang Holdings Ltd (Independent Director)
- Singapore Reinsurance Corporation Ltd (Independent Director)
- ST Group Food Industries Holdings Limited (Independent Director)

#### Other Major Appointments/Principal Commitments:

- Singapore Heart Foundation (Board Member)

#### Past Directorships in Listed Companies and Principal Commitments held over the preceding five years (1 January 2016 to 31 December 2020):

- Young Men's Christian Association (YMCA) of Singapore (till May 2016)
- Marco Polo Marine Ltd (till 28 January 2019)
- Mun Siong Engineering Limited (till 26 June 2020)

#### Professional Qualifications:

- Degree in Law from the National University of Singapore
- Bintang Bakti Masyarakat (2008)
- Pingat Bakti Masyarakat (2000)



## 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, 72, 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 (Member)
- Remuneration Committee (Member)

#### Present Directorships in other listed companies (as at 31 December 2020):

- Centurion Corporation Limited (Non-Executive and Independent Director)
- Koh Brothers Group Limited (Non-Executive and Independent Director)
- TEE International Limited (Non-Executive and Independent Director)
- SingHaiyi Group 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 2016 to 31 December 2020):

Nil

#### Professional Qualifications:

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

## Board of Directors



### Chew Choon Soo

#### Non-Executive and Independent Director

First appointed as a Director: 28 February 2019  
Last re-elected as a Director: 18 April 2019

Mr Chew Choon Soo, 63, 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:

- Remuneration Committee (Member)

#### Present Directorships in other listed companies (as at 31 December 2020):

Nil

#### Past Directorships in Listed Companies and Principal Commitments held over the preceding five years (1 January 2016 to 31 December 2020):

- KS Energy Ltd (till October 2020)

#### Professional Qualifications:

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



### Low Weng Keong

#### Non-Executive and Independent Director

First appointed as a Director: 19 June 2020  
Last re-elected as a Director: -

Mr Low Weng Keong, 68, 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 Committee (Member)

#### Present Directorships in other listed companies (as at 31 December 2020):

- Riverstone Holdings Limited
- iX Biopharma Limited
- UOL Group Limited

#### Past Directorships in Listed Companies and Principal Commitments held over the preceding five years (1 January 2016 to 31 December 2020):

- Bracell Limited (till November 2016 Privatisation)

#### 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
- Fellow of Chartered Accountants Australia and New Zealand

## Corporate Information

### DIRECTORS

- Wee Cho Yaw**  
Chairman (Non-Executive)
- Wee Ee-chao**  
Deputy Chairman (Non-Executive)
- Wee Ee Lim**  
President & Chief Executive Officer
- Sat Pal Khattar**  
Independent Director
- Hwang Soo Jin**  
Independent Director
- Lee Suan Yew**  
Independent Director
- Chew Kia Ngee**  
Independent Director
- Peter Sim Swee Yam**  
Independent Director
- Gn Hiang Meng**  
Independent Director
- Chew Choon Soo**  
Independent Director
- Low Weng Keong**  
Independent Director

### AUDIT AND RISK COMMITTEE

- Chew Kia Ngee**  
Chairman
- Peter Sim Swee Yam**
- Gn Hiang Meng**
- Low Weng Keong**

### INVESTMENT COMMITTEE

- Wee Cho Yaw**  
Chairman
- Wee Ee Lim**
- Paul Chow**

### NOMINATING COMMITTEE

- Sat Pal Khattar**  
Chairman
- Wee Cho Yaw**
- Gn Hiang Meng**
- Peter Sim Swee Yam**

### REMUNERATION COMMITTEE

- Sat Pal Khattar**  
Chairman
- Wee Cho Yaw**
- Gn Hiang Meng**
- Chew Choon Soo**

### COMPANY SECRETARY

**Lee Kay Swee**

### AUDITORS

**PRICEWATERHOUSECOOPERS LLP**

**Yeoh Oon Jin**  
Audit Partner-in-charge  
Year of Appointment: 2018

### REGISTRAR

#### BOARDROOM CORPORATE & ADVISORY SERVICES PTE LTD

50 Raffles Place #32-01  
Singapore Land Tower  
Singapore 048623  
Tel : 6536 5355  
Fax : 6536 1360

### REGISTERED OFFICE

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#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

### 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.

### Paul Chow

#### Group Financial Controller

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

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

### Shiu Siew Leng

#### Group Internal Audit Manager

Joined the Group in 1991 as Internal Auditor and promoted to Assistant Internal Audit Manager in 2003 and Internal Audit Manager in 2008. Promoted to present position in 2012.

Holds a Bachelor's Degree in Accountancy from the National University of Singapore. A member of the Institute of Singapore Chartered Accountants.

### Lee Kay Swee

#### Legal Counsel & Company Secretary

Joined the Group in 2014 as Legal Counsel and appointed to present position in 2019.

Holds a Degree in Law (Honours) from the University of Nottingham, UK and a Degree in Arts (Economics) from National University of Singapore.

### Tang Li Chow

#### Human Resource Director

Joined the Group in 2020 as Human Resource Director.

Holds a Bachelor of Applied Science (Computer Engineering) from Nanyang Technological University.

### 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

#### Senior Manager (Quality & Regulatory Affairs), Healthcare

Joined Haw Par Healthcare in 1991 as QC/Laboratory Manager and promoted to Senior Manager (QC & QA) in 2007. Appointed to present position in 2011.

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



Revenue

**\$111.0**

MILLION



Profit From  
Operations  
And Investments

**\$124.2**

MILLION



Profit  
After Tax

**\$119.8**

MILLION



Shareholders'  
Funds

**\$2.9**

BILLION



Return  
On Equity

**4.2%**



Total  
Assets

**\$3.0**

BILLION

## Group Financial Highlights

### Financial Highlights

The COVID-19 pandemic has disrupted global economic activity with many countries facing surges in infection and governments reimposing lockdown measures. The resultant effect on consumer spending led to a 54% decrease in the Group's revenue to \$111.0 million. Gross margin reduced from 57% to 44% due mainly to lower utilisation of production capacity at Healthcare.

Revenue from Healthcare decreased by 58% to \$93.0 million as consumer demand for products was severely impacted by movement restrictions and international tourism industry remaining at a standstill. The drastic drop in demand for Healthcare products resulted in lower gross margin mainly due to excess capacity at its manufacturing facilities. Consequently, Healthcare's operating profit dropped 78% to \$16.2 million.

Revenue from other segments which comprise of Leisure and Property divisions decreased by 10% to \$18.0

million due mainly to Underwater World Pattaya ("UWP") as Thai borders were largely closed to international tourists and domestic travel restrictions from March 2020 onwards, partially offset by higher average occupancy at the Group's Singapore properties. Total net operating profit from these segments decreased by 15% to \$9.1 million due to operating loss at UWP.

### Financial Position

Shareholders' funds decreased to \$2.9 billion (2019: \$3.2 billion) due mainly to lower market valuations of the Group's strategic investments amid volatile equity markets.

The Group ended the financial year with cash balance of \$554.4 million (2019: \$465.6 million) due mainly to cash dividends received from strategic investments, proceeds from the net sales and purchase of investments and cash generated from operations, partially offset by dividends paid to shareholders and purchase of property, plant and equipment. The Group fully repaid its borrowings during the financial year.

### 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 2020, the total dividend per share for the financial year ended 31 December 2020 is 30 cents per share, maintaining the same total dividend per share as 2019.

## Financial Calendar

12

AUGUST 2020

Announcement of  
2020 half-yearly  
results

8

SEPTEMBER 2020

Payment of 2020  
First & Interim  
dividend

22

FEBRUARY 2021

Announcement  
of 2020 full-year  
audited results

1

APRIL 2021

Announcement of  
Notice of Annual  
General Meeting

23

APRIL 2021

52<sup>nd</sup> Annual  
General Meeting

3

MAY 2021

Proposed record  
date for dividend  
entitlement

19

MAY 2021

Proposed payment  
of 2020 Second &  
Final dividend



# Healthcare Operations Review

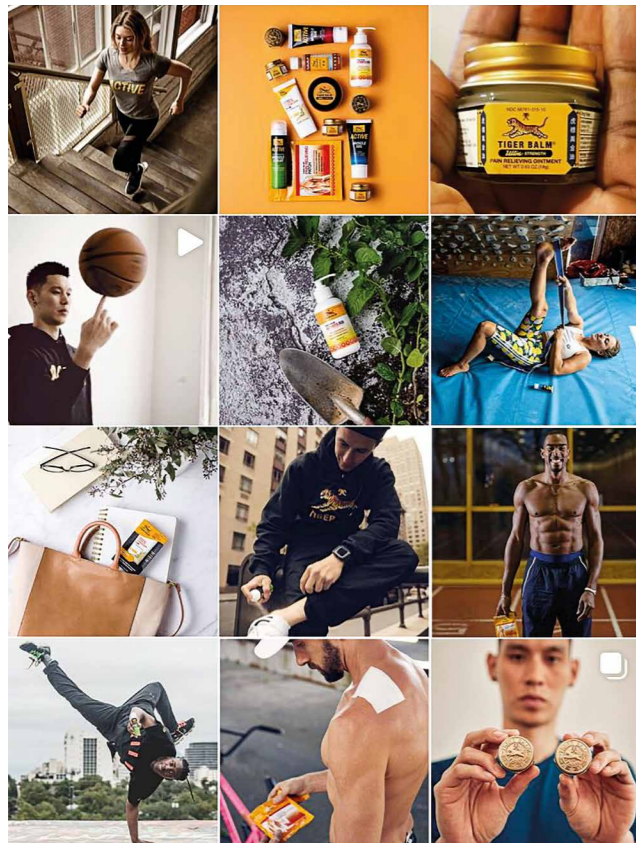
**With the focus on self-care and wellbeing prompted by the pandemic, Tiger Balm as a trusted herbal remedy in the wellness space is poised to ride this trend.**

## Care & Connect as a Lifestyle Care Brand Amid Pandemic

The COVID-19 pandemic upended the global economy and presented severe challenges to many businesses, including ours. Sales of our products in many markets were adversely affected by the uncertain economic outlook exacerbated by travel restrictions and lockdowns implemented by countries to curb the spread.

On the operations front, our business continuity and contingency plans stood up to the test. Strict pandemic control measures were instituted at our manufacturing facilities to ensure the safe resumption of operations. Working closely with government regulatory bodies, we maintained largely uninterrupted production across several locations with minimal impact on our supply to the global markets.

Collaborative partnerships with our distributors and retailers enabled us to come up with greater ways to connect with consumers. As the trend shifted towards online shopping, we took the opportunity to advance our e-commerce presence, moving swiftly to ramp up accessibility of our products via online channels, such as setting up Tiger Balm shopfronts on major e-commerce platforms.



01

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- 01 Team Tiger Balm USA on Instagram – motivating the Tiger Balm community amid pandemic.
- 02 Launch of Tiger Balm Relief in Korea rides the self-care trend.
- 03 “MIT HOCHWERTIGEN ÄTHERISCHEN ÖLEN” (With Quality Essential Oils) – Tiger Balm Germany promotes Tiger Balm via Facebook.
- 04 Connect & Care – Tiger Balm Malaysia reaches out to mothers.



03



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Cultural differences and local conditions influenced consumer behaviour differently, which led to different sales developments in every market. Our markets in USA and Europe weathered the crisis well. Most of our core markets in Europe grew or maintained sales with pharmacies and para-pharmacies kept open. We also stepped up promotion activities to local consumers. Amid a record high number of cases of dengue infection in Singapore, the bright spot in the domestic market was the Tiger Balm Mosquito Repellent range, which enjoyed strong sales.

Our advertising and promotion activities were kept agile to respond to the dynamic operating environment. Resources were deployed to digital activations and social media engagement, while new product launches and physical events were reconsidered.

Positioning Tiger Balm as a Lifestyle Care Brand, we leveraged social media to launch the all-new Tiger Balm Relief in Korea at Olive Young health & beauty chain and across e-commerce retailers in May 2020. Working with some 300 influencers that spanned various demographics and occupations, we were able to bring the Tiger Balm Relief experience online and connect with consumers in their times of need for self-care. Tiger Balm Relief won the “Rising Star Olive Young Beauty & Health Award” for 2020, an exceptional accolade for a trendy and new item. Similarly, in India, digitisation was key to our newly appointed distributor’s move to build market share.

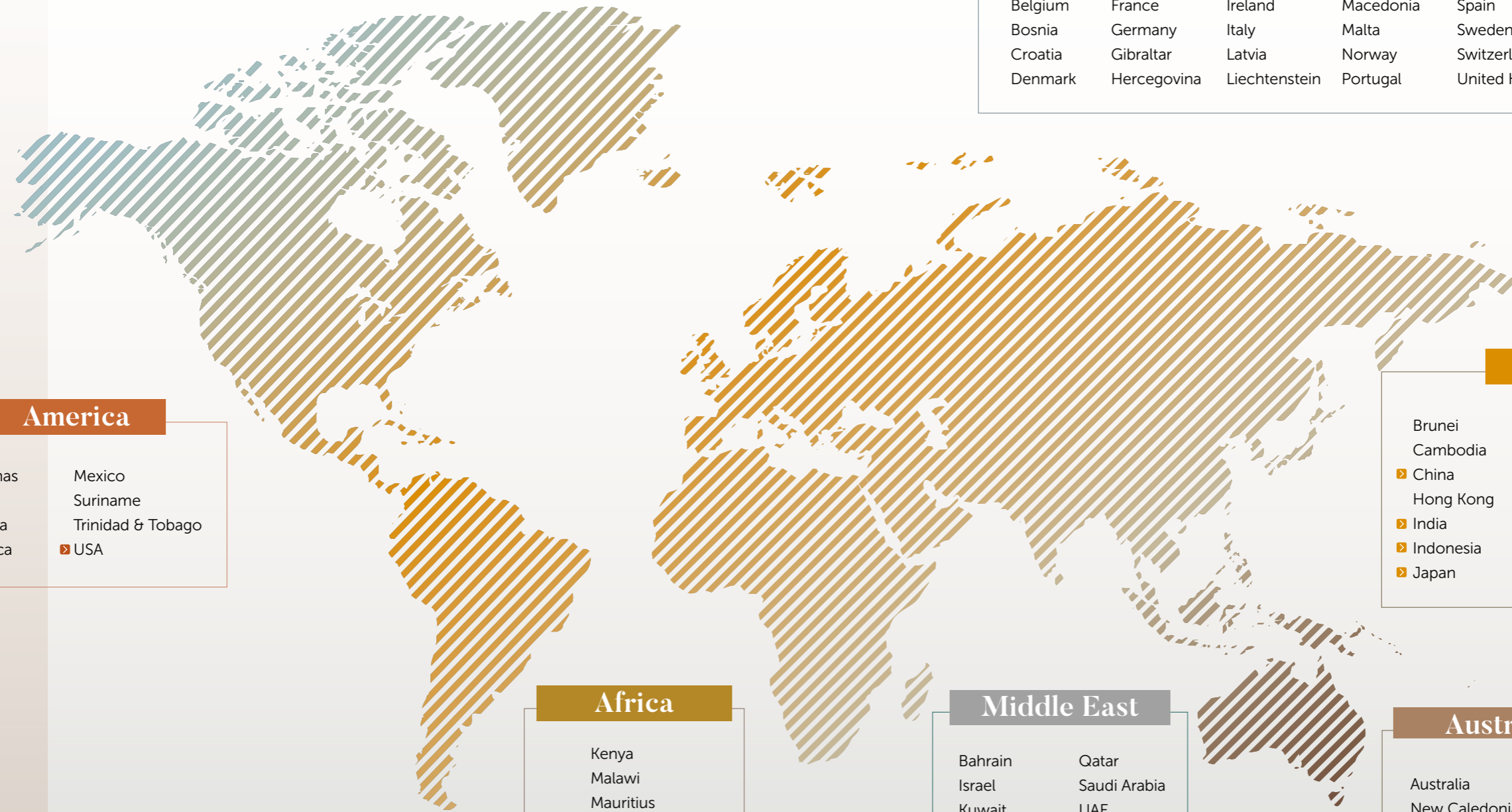
In the social arena, Team Tiger Balm athletes and brand ambassadors embodied the “Roar Back” spirit as they rallied the Tiger Balm community to stay well and keep fit during COVID times through live-streamed home workout sessions and DIY self-care regimes using Tiger Balm. In 2020, pro basketball player Jeremy Lin joined Team Tiger Balm USA, adding to the vitality of the Team and community.

## Challenges & Opportunities

While the pandemic presented unprecedented challenges, it has also offered opportunities. The uptake and reception to online shopping has enabled us to accelerate our move online and unlock sales growth for Tiger Balm in e-commerce. With the focus on self-care and wellbeing prompted by the pandemic, Tiger Balm as a trusted herbal remedy in the wellness space is poised to ride this trend.

The outlook for 2021 continues to be dampened by COVID-19. As global economies and societies adjust to a new norm, we have laid the groundwork to pivot our business to meet the new challenges in a post-COVID era.

# Tiger Balm GLOBAL PLAYER



## America

- Bahamas
- Brazil
- Canada
- Jamaica
- Mexico
- Suriname
- Trinidad & Tobago
- USA

## Europe

- Andorra
- Austria
- Belgium
- Bosnia
- Croatia
- Denmark
- Estonia
- Finland
- France
- Germany
- Gibraltar
- Hercegovina
- Holland
- Hungary
- Ireland
- Italy
- Latvia
- Liechtenstein
- Lithuania
- Luxembourg
- Macedonia
- Malta
- Norway
- Portugal
- Serbia
- Slovenia
- Spain
- Sweden
- Switzerland
- United Kingdom

## Asia

- Brunei
- Cambodia
- China
- Hong Kong
- India
- Indonesia
- Japan
- Laos
- Macau
- Malaysia
- Myanmar
- Nepal
- Pakistan
- Philippines
- Singapore
- South Korea
- Sri Lanka
- Taiwan
- Thailand
- Vietnam

## Africa

- Kenya
- Malawi
- Mauritius
- South Africa

## Middle East

- Bahrain
- Israel
- Kuwait
- Oman
- Qatar
- Saudi Arabia
- UAE

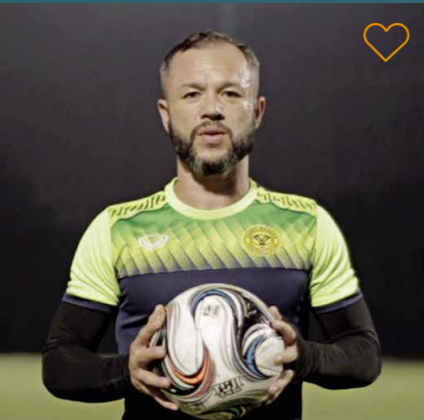
## Australasia

- Australia
- New Caledonia
- New Zealand
- Papua New Guinea



...Strength is what keeps me going in life. But sometimes pain gets the best of me. Good thing there's **Tiger Balm Which Takes Care of my Pain** while I take care of the game, the team and the country.

Philippines Football Captain & 2x Mr Football Award Winner  
Stephan Schröck@IGTV



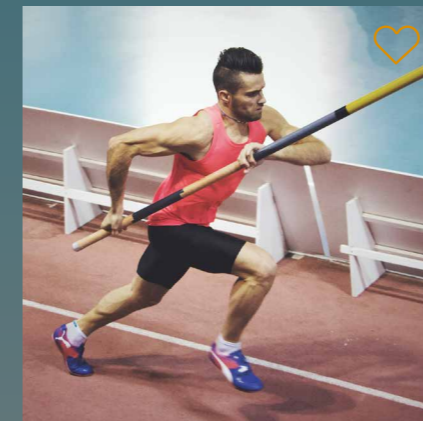
Spinning around with my **New Tiger Sail.**

Swedish Multi-Extreme Sports Athlete  
Markus Robért@Instagram



When the going gets tough, lift through it. Throw on a Tiger Balm patch and keep GRINDIN!  
#workswhereithurts

US Triple Jump 2x Olympic Gold Medallist  
Christian Taylor@Twitter



...BAUME DU TIGRE EST UN PEU COMME MON MEILLEUR AMI...  
(...Tiger Balm is a bit like my best friend...)

French Pole Vaulter Valentin Lavillenie@Facebook on his come-back journey from injury with Tiger Balm by his side.

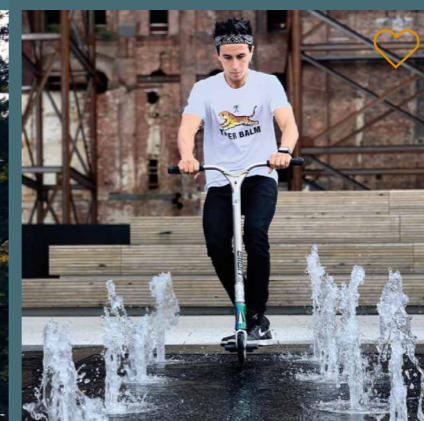
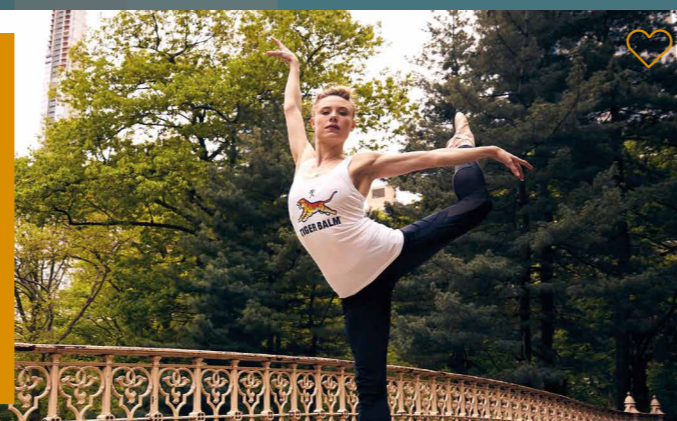


**JAG VILL BLI VÄRLDENS STARKASTE KVINNA.**  
(I want to be the world's strongest woman.)

17-year-old Winner of "Sweden's Strongest Woman" Title  
Cassandra Annergren@Instagram

On days like today, when faced with certain situations...I always go back to this, keep it classy, Sara... Thank you Tiger Balm for **being such a great support and partner.**

US NYCB Ballerina  
Sara Mearns@Instagram



**ROAR BACK:**  
Still here to be positive and create.

US Pro Scooter Rider  
Jon Reyes @Tiktok



Foreal I used Tiger Balm growing up...it's a trip that I get to partner with them now. Making the world more pain-free one patch at a time lol (and tbh who can say no to that tiger balm smell).

US Pro Basketball Player  
Jeremy Lin@Facebook/Youtube

# TEAM TIGER BALM

Building Digital Communities



# Investment & Property Operations Review



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## 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.

### The Key Investments in the Group Include:

	Strategic Investment Portfolio Profile					
	No. of Shares		Fair Value		Gross Investment Income	
	2020	2019	2020	2019	2020	2019
<b>Quoted Equity Securities</b>			<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
United Overseas Bank Limited	74,850,539	74,850,539	1,690,874	1,973,060	85,329	93,563
UOL Group Limited	72,044,768	72,044,768	554,024	596,531	12,608	12,608

## Property

The Property division holds and manages the Group's investment properties. The total lettable area of the property portfolio is 45,398 square metres comprising commercial and industrial spaces in Singapore and Malaysia.

### Singapore

Our Singapore portfolio comprises three leasehold properties. Haw Par Centre and Haw Par Glass Tower are office buildings conveniently located in Clemenceau Avenue with a total lettable area of 13,567 square metres. Haw Par Technocentre is a light industrial building located in Commonwealth Avenue with total lettable area of 15,700 square metres. In 2020, Haw Par Technocentre enjoyed almost full occupancy while Haw Par Centre was at about 72% and Haw Par Glass Tower reached close to 97%.

### Malaysia

Our Malaysia property, Menara Haw Par, is a freehold commercial building located in Kuala Lumpur's Golden Triangle along Jalan Sultan Ismail with a total lettable area of 16,131 square metres. Due to substantial new supplies engulfing the city, the rental market remains challenging. The property was about 64% occupied during the year.



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



# Leisure Operations Review

## COVID-19 Safety Measures in Place for the New Normal

The COVID-19 pandemic devastated the global tourism industry in 2020. International border closures and lockdowns imposed by governments to control the virus spread led to a global tourism standstill that severely impacted travel-reliant businesses.

In view of the Emergency Decree and lockdown measures in Thailand in 2020, our aquarium – Underwater World Pattaya (UWP) – was temporarily closed from April to June 2020, and reopened in July 2020.

To keep our aquarium top-of-mind for future visits, we continued to engage guests online during the temporary closure. Through curated Facebook posts of videos and pictures of our wide array of aquatic creatures, we offered our fans opportunities to continue their UWP experience virtually.

Health and safety of our guests is paramount in the New Normal. We implemented strict safety measures and sanitation procedures to meet

the Thai government's requirements on safe distancing and hygiene standards, and communicated our safety protocols via Facebook. UWP received the "Amazing Thailand Safety and Health Administration" (SHA) certification for its strict adherence to COVID-19 control guidelines. This certification gives our guests confidence in the safety standards at our facility.

Over the years, we have been intensifying our efforts to grow market share in the domestic tourist segment. With borders closed to overseas tourists, we doubled up on our offerings to attract locals. Besides family promotion packages, we staged interactive activities such as the all-popular Mermaid shows at our Underwater Tunnel and conducted edutainment programmes for school groups. Positive reviews from social media influencers and parent bloggers helped extend our reach to target audiences.

We also benefitted from Thailand government's initiatives to promote domestic tourism. Business has picked up at times since reopening in July, albeit significantly lower than pre-COVID-19 levels.

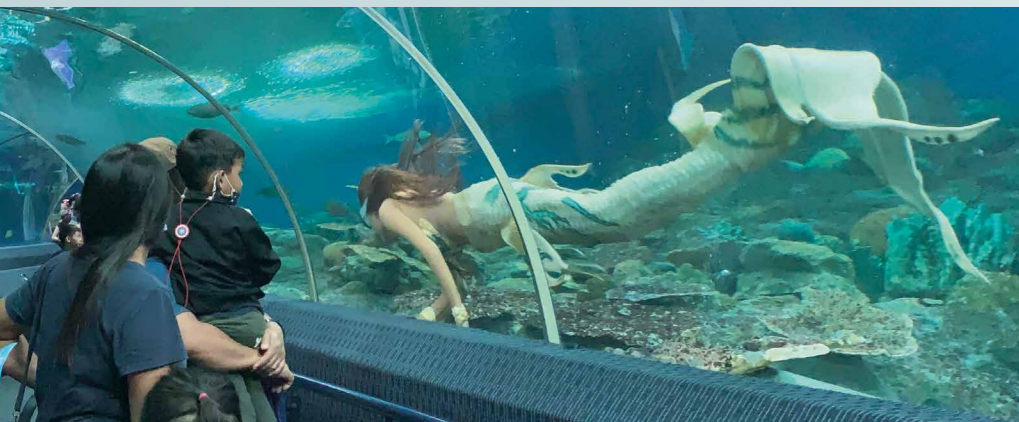
## Challenges & Opportunities

The coming year will continue to be fraught with challenges. The pandemic will continue to take its toll on tourism with cycles of new outbreaks and fresh lockdowns even as vaccination rollouts lift consumer sentiments. With robust safety measures in place and prudent cost management, UWP is prepared to ride out the COVID-19 storm and be ready to meet the post-pandemic pent-up demand for leisure experiences.

- 01 Underwater World Pattaya communicated COVID-19 safety protocols via their Facebook page.
- 02 Mermaid shows performed amongst fishes at the Underwater Tunnel were popular with guests.



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# 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 wellness 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 COVID-19 Frontline Heroes and Our Communities

While the COVID-19 frontline heroes – doctors, nurses and their colleagues battled the pandemic to keep everyone safe, Tiger Balm helped them fight their aches and pains from long hours caring for patients.

Throughout the year, Haw Par has been supporting the COVID-19 relief efforts through donations of Tiger Balm products to healthcare workers. In China, the team surmounted logistical challenges to bring Tiger

- 01 HERO Initiative (Singapore) in collaboration with Pan Pacific Group.
- 02 National Kidney Foundation (Singapore). Outreach to hospitals in China through Red Cross Society.
- 03 Tengku Ampuan Rahimah Hospital in Klang, Malaysia.



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Balm Ointment to the Red Cross Society in Wuhan, Shenzhen and Xiamen for distribution to medical personnel at numerous hospitals.

Similarly in Malaysia and Singapore, Tiger Balm Plasters and other pain-relieving products were distributed to medical workers at hospitals, as well as to charities in Singapore such as SPD, Institute of Mental Health and National Kidney Foundation, who are caring for vulnerable groups. Other front-liners – from security officers to cleaners providing essential support during this difficult time also received Tiger Balm Care Packs. In a unanimous show of appreciation to front-liners, our factory staff in Singapore joined Haw Par’s initiatives by hand-wrapping Tiger Balm Care Packs.

Partnering with Chemical Industries Employees’ Union (CIEU), we also contributed Tiger Balm products to goodie bags containing daily essentials that were given out to lower-wage workers through CIEU’s “Gift from the Heart” outreach to members.

In 2020, we continue our support for our charity partner – Singapore Disability Sports Council (SDSC). Since 2015, Haw Par has been supporting inclusive sports through empowering SDSC athletes’ training, aspirations and success in the sporting arena. In the midst of a health crisis, the SDSC athletes demonstrated an indomitable spirit as they overcame constraints to train hard in preparation for Post-COVID competitions. Their spirit resonates with Haw Par’s core value of resilience. They are sources of inspiration for all Singaporeans. Now more than ever, they deserve to be supported in their efforts and recognised for their achievements.

This year, we saw 49 nominees contesting nine awards at the Singapore Disability Sports Awards (SDSA) presented by Haw Par for the second consecutive year. We also had 36 recipients across 11 para sports for the third edition of the Haw Par Para Sports Bursary Award.

The Sports Awards celebrate the achievements of these athletes and the community behind them – the caregivers, coaches, volunteers and inspiring figures who dedicated their lives to this cause. The virtual ceremony in August 2020 was graced by the Guest-of-Honour Mr Edwin Tong, Minister for Culture, Community and Youth & Second Minister for Law.

For athletes facing financial challenges, the Bursary Awards provide much needed support for their training and competition expenses such as equipment and transportation. To cheer on the athletes, Haw Par staff prepared special hand-written notes to the Bursary recipients.



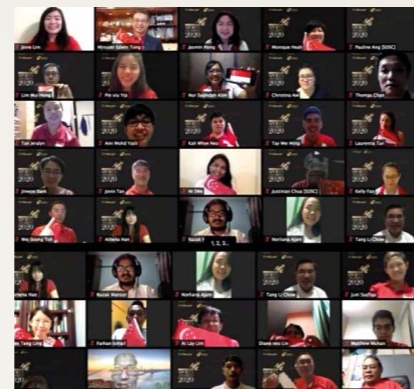
03

- 01 Cheque Presentation to Singapore Disability Sports Council.
- 02 Singapore Disability Sports Awards virtual ceremony graced by GOH Mr Edwin Tong, Minister for Culture, Community and Youth & Second Minister for Law (top row from left, 2<sup>nd</sup> profile).
- 03&04 Haw Par Para Sports Bursary: Two of the recipients – Muhammad Nur Amsyar Bin Abdemanaf (Cycling) and Jeralyn Tan Yee Ting (Boccia).

Photos: SDSC



01



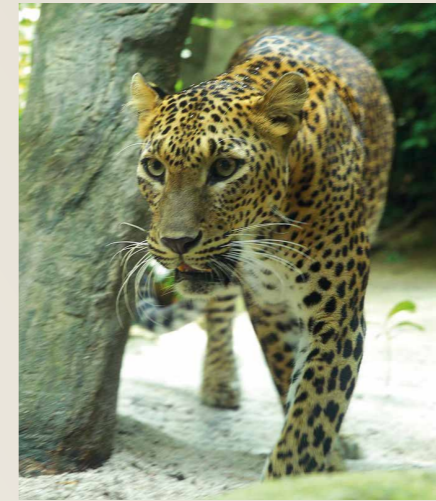
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### Supporting Biodiversity Through Raising Awareness

Even as we cope with the impacts of the pandemic, we are mindful of other global threats that loom ahead, not least the loss of biodiversity and the implications for the health of our planet, which in turn affects the wellbeing of our communities.

Haw Par aims to do its part to contribute to environmental protection and conservation. In line with our Blue Mission to inspire, educate and conserve, Underwater World Pattaya leveraged on its unique showcase of hundreds of species of aquatic life enhanced with informational signage to offer an educational platform to engage guests at the aquarium as well as those online, by raising awareness on environmental conservation. The aquarium pledged its support for Earth Hour for the 11<sup>th</sup> time in 2020 by switching off their façade lights during event and putting up climate action messages to inspire guests to contribute to the protection of Mother Earth.

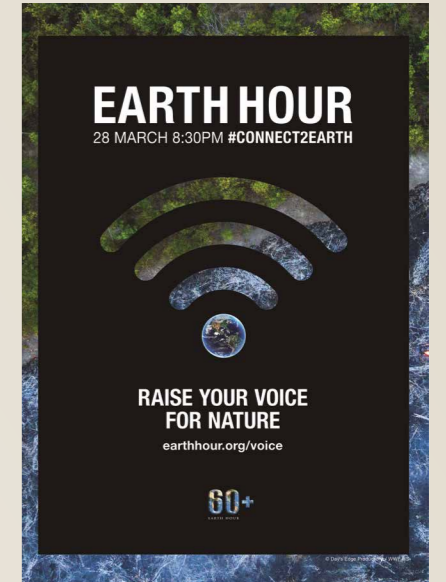
As the tiger and leopard are the namesakes of Haw Par and our

company’s 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. This meaningful contribution expresses our support for the protection of these animals listed among the most endangered species on Earth.

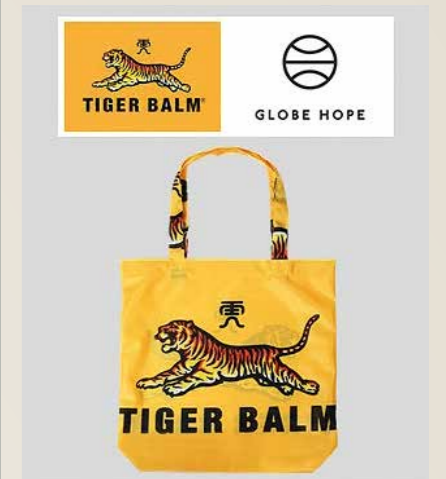
Taking direct action to protect the environment, Tiger Balm collaborated with Globe Hope in Finland to launch a collectible Tiger Balm bag upcycled from old in-store marketing banners.

### Sustainability Report

Haw Par published its fourth Sustainability Report that is prepared in accordance with the Global Reporting Initiative (GRI) standards. Environmental, Social and Governance (ESG) factors covered in the report include economic performance, compliance and good governance, occupational health and safety of employees, product quality and safety, labour practices and issues, as well as supply chain and environmental factors.



07



08

- 05&06 Supporting Tiger and Leopard conservation. Photos: Wildlife Reserves Singapore
- 07 Underwater World Pattaya supported the Earth Hour 2020. Photo: WWF
- 08 Tiger Balm x Globe Hope Collaboration: Eco-friendly Tiger Balm bag.

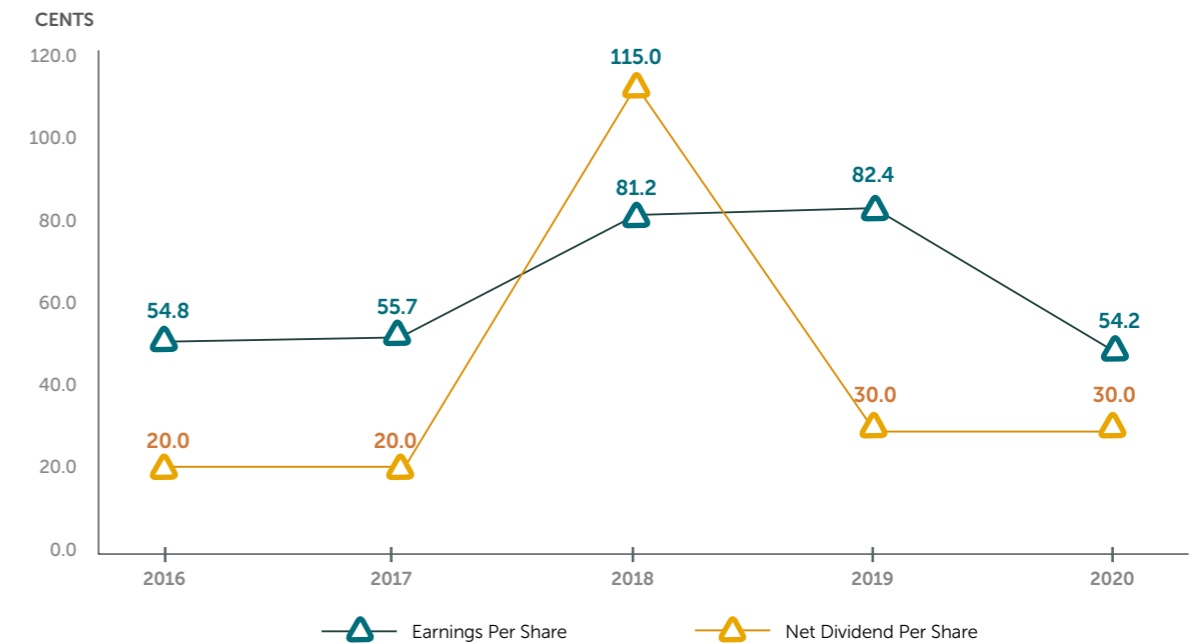


## Five-Year Financial Summary

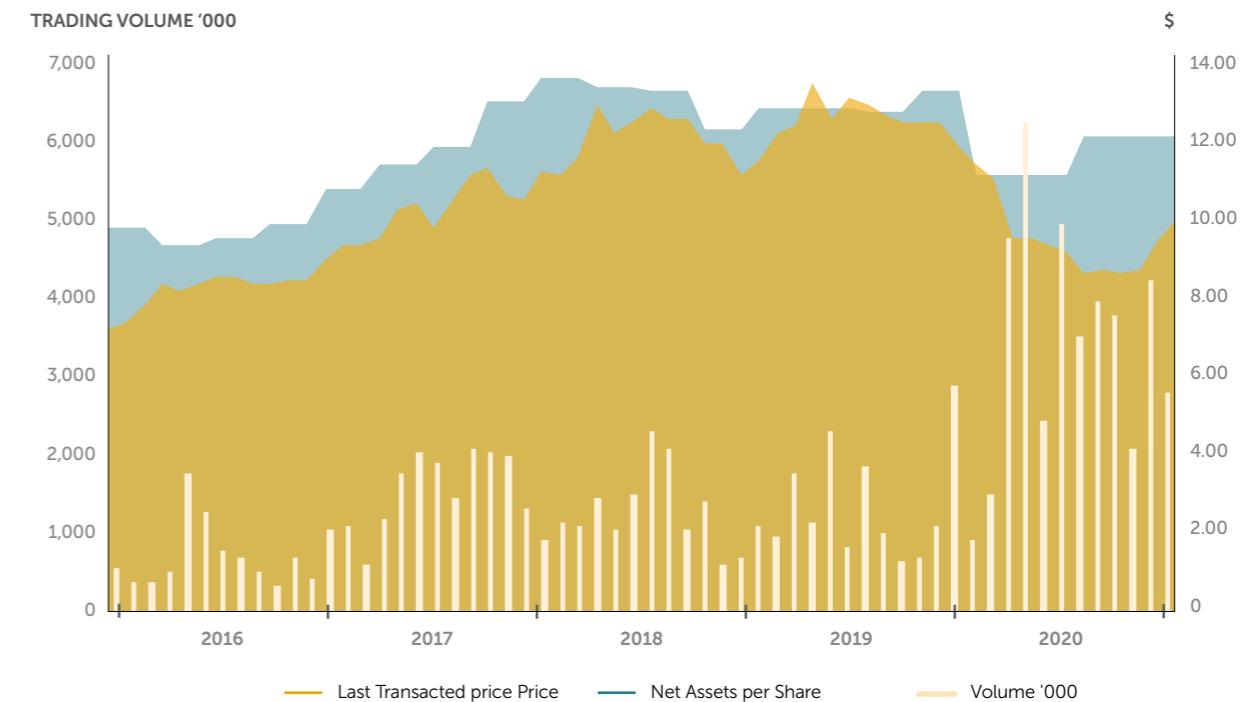
	2020	2019	2018	2017	2016
<b>Results (\$'000)</b>					
Group turnover	111,032	243,987	237,814	222,763	201,644
Profit from operations	120,689	195,202	190,989	136,905	133,064
– Healthcare	16,200	74,777	77,252	68,579	66,051
– Investment	101,027	114,102	105,508	60,217	61,366
– Others <sup>1</sup>	9,139	10,815	12,322	12,674	8,935
– Unallocated expenses	(5,677)	(4,492)	(4,093)	(4,565)	(3,288)
Associates' contribution	3,517	1,765	1,290	937	854
Profit before taxation	124,206	196,967	192,279	137,842	133,918
Profit attributable to equity holders of the Company	119,773	182,207	179,068	122,460	120,109
<b>Per share</b>					
Earnings (cents)	54.2	82.4	81.2	55.7	54.8
Dividend net (cents)	30	30	115 <sup>2</sup>	20	20
Dividend cover (times)	1.8	2.7	0.7	2.8	2.7
<b>Statement of Financial Position (\$'000)</b>					
Strategic investments	2,252,562	2,621,786	2,342,975	2,710,474	2,027,025
Investment properties	55,870	56,263	56,569	58,766	60,757
Property, plant and equipment	31,068	26,813	26,983	28,561	23,450
Associated companies	10,222	7,105	5,740	4,850	4,313
Intangible assets	11,116	11,116	11,116	11,116	11,116
Other net assets	524,328	433,349	484,650	264,526	198,284
Net assets / Shareholders' funds	2,885,166	3,156,432	2,928,033	3,078,293	2,324,945
<b>Statistics</b>					
Return on equity (%)	4.2	5.8	6.1	4.0	5.2
Net assets per share (\$)	13.04	14.28	13.26	13.98	10.60
Share price (\$)	10.70	12.75	12.02	11.35	9.09
Debt/Equity (%)	0	0.2	0.8	1.5	2.0
Number of shareholders	20,370	18,909	18,675	19,109	19,620

<sup>1</sup> Included in "Others" are property and leisure divisions which constitute less than 25% of the Group's revenue and other income.  
<sup>2</sup> Included a special dividend of 85 cents per share.

### Earnings Per Share and Net Dividend Per Share



### Trading Volume, Share Price & Net Assets Per Share



# Financial Review

## Overview

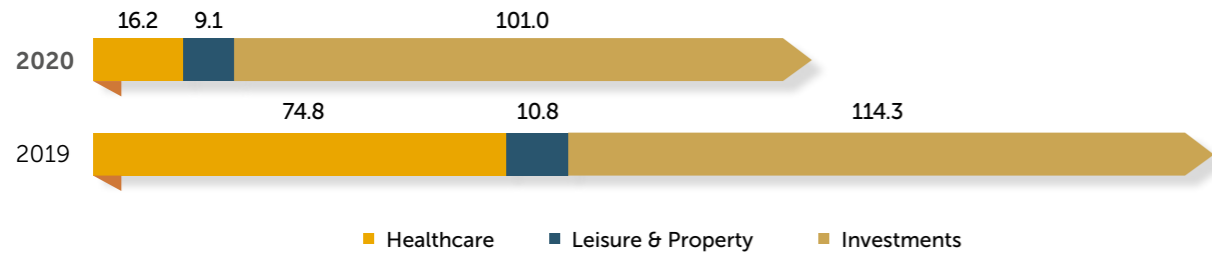
Group revenue at \$111.0 million dropped 54% against 2019 mainly attributable to significant drop in revenue from Healthcare. Healthcare's business was impacted by the outbreak of COVID-19 pandemic which resulted in lockdown measures imposed by governments and severely affected consumer spending.

Operating segment profits before interest expense decreased with Healthcare recording a 78% drop to \$16.2 million while Leisure and Property segment net operating profit decreased 15% to \$9.1 million. Investments income also dropped 12% to \$101.0 million from lower dividend income from strategic investments and lower interest rate. Consequently,

Group earnings decreased by 34% to \$119.8 million (2019: \$182.2 million) and earnings per share dropped to 54.2 cents (2019: 82.4 cents).

Net asset per share decreased to \$13.04 (2019: \$14.28) attributed mainly from lower market valuations of the Group's strategic investments as at 31 December 2020.

Segment Profits Before Interest Expense And Tax (\$Million)



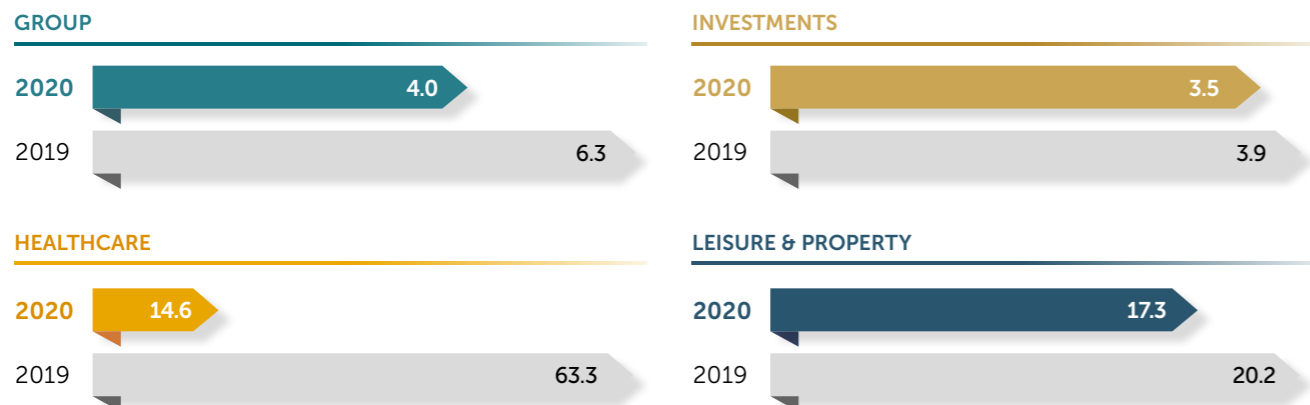
## Return on Assets Employed

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 decreased to 4.0% in 2020 (2019: 6.3%) due mainly to Healthcare. ROA of Healthcare reduced significantly from 63.3% to 14.6% in 2020 due to sharp decline in operating profit as sales and gross margin dropped from weak consumer

demand. ROA of Investments decreased from 3.9% to 3.5% in 2020 due to lower dividend income and interest income. ROA of Leisure and Property dropped from 20.2% to 17.3% due mainly to net operating loss at Underwater World Pattaya.

Return on Assets Employed (%)



## Segmental Performance

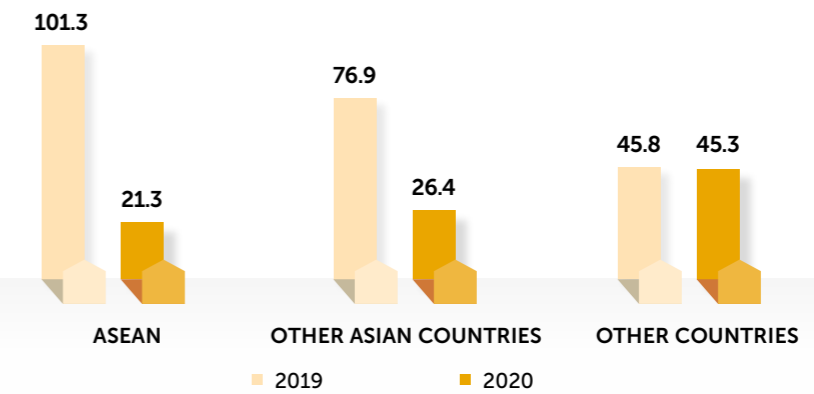
### Healthcare

Healthcare's revenue decreased 58% to \$93.0 million as movement restrictions and global economic recessions negatively affected consumer spending and demand of Tiger Balm products. Drop in consumer demand mainly came

from markets in Asia. Sales to ASEAN countries decreased 79% to \$21.3 million and sales to other Asian countries decreased by 66% to \$26.4 million. Sales to other countries remained relatively stable at \$45.3 million. Though the Healthcare

business did not experience significant disruption to its supply chain, its operating profit decreased 78% to \$16.2 million due to drastic drop in demand from customers.

Healthcare Sales by Region (\$Million)

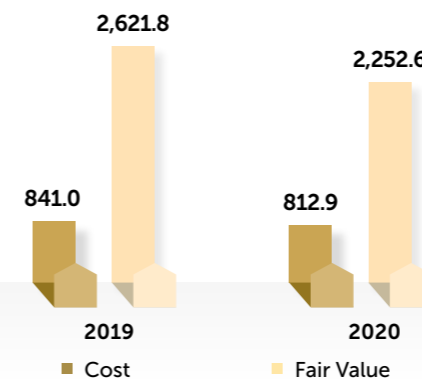


### Investment

Fair value of the Group's investments portfolio decreased from \$2,621.8 million as of 31 December 2019 to \$2,252.6 million as of 31 December 2020 due mainly to lower market valuations of its strategic investments.

The Group's dividend income decreased 8% to \$97.9 million in 2020 due mainly to lower dividend rate.

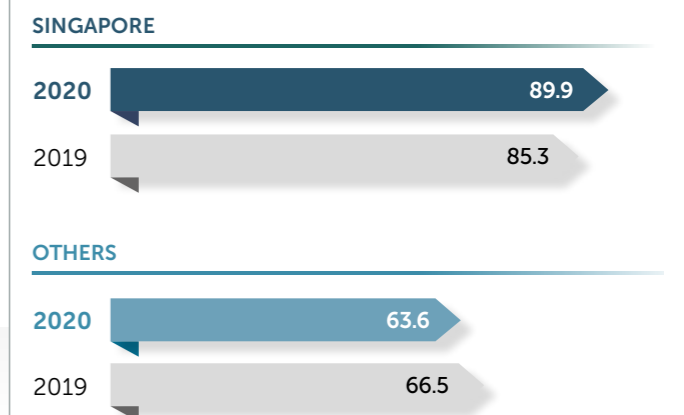
Investment (Cost and Fair Value) (\$Million)



### Property

Property average occupancy improved for Singapore properties. However, occupancy in our Malaysia property dropped with weak demand for office space in Kuala Lumpur city area.

Property (Average Building Occupancy Rates) (%)



Corporate  
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# CORPORATE GOVERNANCE REPORT

Haw Par Corporation Limited (the "Company", and together with its subsidiaries, the "Group") is committed to upholding good corporate governance practices so as 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 Practice Guidance issued by the Corporate Governance Council. The following sections describe the Group's corporate governance practices and structures that were in place during the financial year ended 31 December 2020 ("FY2020") 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 ("IPT") and related person transactions;
- ensuring succession planning; and
- establishing and upholding an appropriate culture, values and ethical standards at all levels of the Group.

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 and desired organisational culture, and to ensure proper accountability within the Company, they have put in place a Code of Conduct and Whistle Blowing Policy, more details of which are set out under the Code of Conduct and Whistle Blowing Policy section of this Annual Report.



# CORPORATE GOVERNANCE 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 Chief Executive Officer ("**CEO**"), champions sustainability efforts and priorities within the Group. The SSC reports to the Board, which has specifically considered sustainability issues as part of its strategic 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 FY2020 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. The sustainability report of the Company can be found on the Company's website at [www.hawpar.com/sustainability](http://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 / 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 Board has approved the Terms of Reference and Charters of the respective Board Committees during its Board meeting. The delegation of authority by the Board to the Board Committees are as set out in the Table of Authority Grid.

The Board held four meetings during FY2020. Directors attend and actively participate in Board and Board Committee meetings, and can attend Board and Board Committee meetings by telephone conference 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 FY2020 is as follows:

# CORPORATE GOVERNANCE REPORT

Table 1:

## Number of meetings attended in FY2020

Name	Board	Audit and Risk Committee	Nominating Committee	Remuneration Committee	Investment Committee	AGM
	4	4	1	1	4	1
	Number of Meetings Attended					
<b>Wee Cho Yaw</b> (Non-executive / Non-independent)	4/4 <sup>(2)</sup>	N/A	1/1	1/1	4/4 <sup>(2)</sup>	1/1
<b>Wee Ee-chao</b> (Non-executive / Non-independent)	4/4	N/A	N/A	N/A	N/A	1/1
<b>Wee Ee Lim</b> (Executive / Non-independent)	4/4	4/4 <sup>(1)</sup>	N/A	1/1 <sup>(1)</sup>	4/4	1/1
<b>Sat Pal Khattar</b> (Non-executive / Independent)	4/4	N/A	1/1 <sup>(2)</sup>	1/1 <sup>(2)</sup>	N/A	1/1
<b>Chew Kia Ngee</b> (Non-executive / Independent)	4/4	4/4 <sup>(2)</sup>	N/A	N/A	N/A	1/1
<b>Hwang Soo Jin</b> (Non-executive / Independent)	4/4	N/A	N/A	1/1	N/A	1/1
<b>Lee Suan Yew</b> (Non-executive / Independent)	4/4	N/A	1/1	N/A	N/A	1/1
<b>Peter Sim Swee Yam</b> (Non-executive / Independent)	4/4	4/4	1/1	N/A	N/A	1/1
<b>Gn Hiang Meng</b> (Non-executive / Independent)	4/4	4/4	N/A	N/A	N/A	1/1
<b>Chew Choon Soo</b> (Non-executive / Independent)	4/4	N/A	N/A	0/1	N/A	1/1
<b>Han Ah Kuan</b> (Executive / Non-independent)	1/4 <sup>(3)</sup>	N/A	N/A	N/A	1/4 <sup>(3)</sup>	1/1
<b>Low Weng Keong</b> (Non-executive / Independent)	2/4 <sup>(4)</sup>	2/4 <sup>(4)</sup>	N/A	N/A	N/A	0/1 <sup>(4)</sup>

### Notes:

- (1) 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.
- (2) Denotes chairman of the Board / Board Committee.
- (3) Mr Han Ah Kuan retired as director of the Company on 10 June 2020.
- (4) Mr Low Weng Keong appointed as Director of the Company and member of Audit and Risk Committee on 19 June 2020.

The Board and Board committees also make decisions by way of circulation 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 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 on developments in the regulatory and business environment affecting the Group, by the Company Secretary and auditors. During FY2020, the Directors were given updates on proposed changes and changes to Listing Rules of Singapore Exchange Securities Trading Limited ("**SGX-ST**") and the Code and changes in the new accounting standards/reporting requirements. None of the Directors have nominated alternate directors to perform any of their roles.

## 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 interest of the Company.***

The Board considers its present size of eleven Directors appropriate for the current scope and nature of the Group's operations. Ten of these Directors are Non-Executive Directors. The Nominating Committee ("**NC**") has reviewed the composition of the present Board and the Board Committees, and is satisfied that in line with the Board Diversity Policy approved by the Board at its Board meeting, they comprise the Directors who, as a group, provide the appropriate balance and mix of skills, core competencies in management experience, strategic planning, customer-based experience, accounting, finance, legal knowledge and the necessary industry knowledge, as well as other aspects of diversity including age, so as to avoid groupthink and foster constructive debate. The NC is aware of the importance of diversity of the Board (as regards skills, experience, core competencies, gender and knowledge of the Company) and Board appointments will continue to be based on merit and diversity.

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 majority of Directors on the Board, being eight Non-Executive Directors, namely Mr Sat Pal Khattar, Dr Lee Suan Yew, Mr Hwang Soo Jin, Dr Chew Kia Ngee, Mr Peter Sim, Mr Gn Hiang Meng, Mr Chew Choon Soo and Mr Low Weng Keong, are Independent Directors, as indicated in Table 1 above, and that they are independent and have maintained their independence throughout FY2020.

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.

# CORPORATE GOVERNANCE REPORT

The Independent Directors are not family members of any substantial shareholder of the Company and were not directly associated with any substantial shareholder in FY2020 or the immediate past financial year. They and their immediate family members did not have any financial dealings with the Group whether in FY2020 or the immediate past financial year, nor were they or any of their immediate family members, during FY2020 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 FY2020 or the immediate past financial year. Also, neither they nor any of their immediate family members were in FY2020 or the past three financial years employed by the Group. In addition, they and their immediate family members did not receive any significant compensation (of more than S\$100,000) from the Company or any of its related corporations for the provision of services, for FY2020 or the immediate past financial year, other than compensation for services on the Board.

The NC and the Board have given due consideration to Guideline 2.4 of the Code of Corporate Governance 2012 (which continues to operate prior to 1 January 2022 on a comply-or-explain basis), which provides that the independence of any director who has served on the Board beyond nine years from the date of his first appointment should be subject to particularly rigorous review. Although five of the Directors, namely Mr Sat Pal Khattar, Dr Lee Suan Yew, Mr Hwang Soo Jin, Dr Chew Kia Ngee and Mr Peter Sim have served as Non-Executive Directors for more than nine years each, the NC and the Board are of the view that their length of service did not compromise their independence in the discharge of their duties. Notes of Board and Board Committee meetings show that each of the five Directors continues to express his individual independent viewpoints and at all times act in the interests of the Company. Dr Chew Kia Ngee and Mr Peter Sim who are retiring in accordance with Article 94 of the Constitution, are not seeking for re-election and will retire as Non-Executive and Independent Directors of the Company with effect at the conclusion of the AGM. Accordingly, the NC and the Board have determined that Mr Sat Pal Khattar, Dr Lee Suan Yew and Mr Hwang Soo Jin can continue to be designated as Independent Directors.

### 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 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 /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 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.***

The NC comprises four members, namely, Mr Sat Pal Khattar, Dr Wee Cho Yaw, Mr Gn Hiang Meng and Mr Peter Sim. The majority of the NC, including the chairman of the NC, Mr Sat Pal Khattar, are Independent Directors.

The principal responsibilities of the NC are to:

- review appointments / reappointments of Directors and Key Management Personnels<sup>1</sup> (“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 suitable candidate is found and assessed to be suitable, the NC makes a recommendation for the Board to approve the formal appointment.

<sup>1</sup> 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 time to the Company's affairs, the NC has taken into account whether a limit on the number of boards of other listed companies that Directors can sit on is necessary. The NC decided that it was not necessary to prescribe a limit on the number of boards of other listed companies that Directors of the Company can sit on. Although some Directors have multiple board representations and principal commitments, none of them has more than six 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 the Board as a whole, and of each Board Committee separately, 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 FY2020, 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, 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 performance of the Company as compared to industry peers and is linked to long term shareholder value. The NC is of the opinion that the Board as a whole has performed well during FY2020 and that the Chairman and each Director have contributed to the overall effectiveness of the Board.

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.

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 Board has adopted the use of an electronic portal to which electronic board papers are uploaded for its meetings. This also increased the Board's control over confidential and price sensitive information in a secure environment, while reducing paper usage as part of its sustainability efforts. 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 to enable Directors to have the required information 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 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 Group Financial Controller ("**GFC**") 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 GFC 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

The Remuneration Committee ("**RC**") comprises four members, namely Mr Sat Pal Khattar, Dr Wee Cho Yaw, Mr Gn Hiang Meng and Mr Chew Choon Soo. Under the RC Charter, the majority of the RC, including the chairman of the RC, who is currently Mr Sat Pal Khattar, 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.

# CORPORATE GOVERNANCE REPORT

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 and recommending to the Board for its endorsement the remuneration packages for KMPs; and
- (d) administering the Company's long term incentive plan.

During FY2020, 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 Directors 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 requirement of contractual provisions 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. The Company should be able to avail itself to remedies against the Executive Director in the event of such breach of fiduciary duties.

## 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.

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, and 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.

# CORPORATE GOVERNANCE REPORT

The Directors' fee structure for services on the Board and Board Committees is as follows:-

<b>Board</b>	<b>S\$</b>
– Chairman	90,000
– Deputy Chairman	58,500
– Member	45,000
<b>Audit and Risk Committee</b>	
– Chairman	20,000
– Member	10,000
<b>Nominating and Remuneration Committee</b>	
– Chairman	10,000
– Member	5,000

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. It takes 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 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. Details are found in the Directors' Statement.

In the annual review of the remuneration of the Executive Director and KMPs, the RC takes into consideration performance of the individuals as an important factor in its review and comparative remuneration of similarly placed persons in the market. The performance criteria for the Executive Director 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 Executive Director and align his interests with that of the Group. These criteria were satisfactorily met during FY2020. Their remuneration 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 Executive Director is aligned with the long term interests of the Group.

# CORPORATE GOVERNANCE REPORT

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. Based on the level of achievement of the targets at the end of the performance period and with the RC's approval, participants will receive the cash awards. Besides total shareholder returns, equal weightage is given to revenue and operating profit growth, 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 Executive Director's and KMPs' 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 and KMPs to successfully manage the Company for the long term.

The details of the remuneration of each Director for FY2020 are as follows:

**Table 2:**

Name	Directors' Fees <sup>(1)</sup> S\$'000	Base or fixed salary S\$'000	Variable bonus S\$'000	Benefits-in-kind and others S\$'000	Total S\$'000
Wee Ee Lim	–	1,149	554	127	1,830
Han Ah Kuan <sup>(2)</sup>	–	209	2	72	283
Wee Cho Yaw	100	–	–	–	100
Wee Ee-chao	59	–	–	–	59
Sat Pal Khattar	65	–	–	–	65
Hwang Soo Jin <sup>(3)</sup>	47	–	–	–	47
Lee Suan Yew <sup>(4)</sup>	47	–	–	–	47
Chew Kia Ngee	65	–	–	–	65
Peter Sim Swee Yam	60	–	–	–	60
Gn Hiang Meng <sup>(5)</sup>	60	–	–	–	60
Chew Choon Soo	50	–	–	–	50
Low Weng Keong <sup>(6)</sup>	29	–	–	–	29

**Notes:**

- (1) Directors' fees are subject to shareholders' approval at the forthcoming annual general meeting on 23 April 2021.
- (2) Mr Han retired as director of the Company on 10 June 2020.
- (3) Mr Hwang ceased as member of RC on 19 June 2020.
- (4) Dr Lee ceased as member of NC on 19 June 2020.
- (5) Mr Gn appointed as member of NC and member of RC on 19 June 2020.
- (6) Mr Low appointed as director of the Company and member of ARC on 19 June 2020.



# CORPORATE GOVERNANCE REPORT

The remuneration of, each of, the top five KMPs (who are not Directors or CEO), 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 %
<b>S\$250,000 – S\$500,000</b>				
Goh Bee Leong, GM – Manufacturing	67	23	10	100
Jasmin Hong, GM – Marketing	68	24	8	100
Keeth Chua, GM – Marketing	68	24	8	100
Chow Say Suan, GFC	46	53	1	100
<b>Below S\$250,000</b>				
Tarn Sien Hao <sup>(1)</sup> , Group General Manager	70	–	30	100

**Note:**

(1) Mr Tarn Sien Hao resigned on 15 May 2020.

The total remuneration paid/accrued to the top five KMPs is S\$1,434,000.

The aggregate amount of termination, retirement and post-employment benefits that may be granted to Executive Director, and the KMPs is about S\$690,000.

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 FY2020. 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 2 March 2021, there is one employee who is a substantial shareholder of the Company, namely the Chief Executive Officer and Non-independent Director, Mr Wee Ee Lim.

## 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 media, including press releases posted on the Company's website. Internal guidelines are in place to comply with legislative and regulatory requirements and 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 budget, provide the Directors with a means to monitor and make balanced and informed assessment of the Group's performance, position and prospects.

# CORPORATE GOVERNANCE REPORT

## Audit and Risk Committee ("ARC")

### Principle 10: Audit Committee

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

The ARC comprises four members, namely, Dr Chew Kia Ngee, Mr Gn Hiang Meng, Mr Peter Sim and Mr Low Weng Keong, all of whom are Non-Executive Independent Directors. The chairman of the ARC, Dr Chew Kia Ngee, is a senior accountant with over 40 years' experience in the profession. Mr Gn Hiang Meng was a senior banker with more than 30 years' experience in investment banking and the hospitality industry. Mr Peter Sim is a practising lawyer with more than 30 years' experience in legal practice and is experienced in a wide-range of industry practices. Mr Low Weng Keong was formerly the country managing partner of Ernst & Young, Singapore, and a past global chairman and president of CPA Australia. None of the ARC members was a partner or director of the Company's existing auditors in the last 24 months, or has any financial interest in the Company's existing auditors.

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.

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, evaluation of the performance and compensation of Group Internal Audit Manager;
- 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;

# CORPORATE GOVERNANCE REPORT

- reviewing the assurance from CEO and GFC 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 material related party transactions;
- 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 by the management and may invite any Director or executive officer to attend its meetings.

During FY2020, 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 cooperation 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 its 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.

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 FY2020 is approximately S\$292,000. The breakdown of fees paid/payable for audit and non-audit services is approximately S\$288,000 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 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.

# CORPORATE GOVERNANCE REPORT

## 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 in risk management 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 GFC, 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;
- 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.

# CORPORATE GOVERNANCE REPORT

## 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 manager in-charge of each operating unit implements policies and procedures to monitor such risks. Yearly review and updates are provided to the ARC.

## 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.

## 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 is in the midst of enhancing its IT infrastructure to deal with the evolving cyber risks that are presenting themselves in various forms and 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.

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 FY2020, the Board has received assurances from:

- (a) the CEO and the GFC 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 2020.

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 2020.

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 Conduct and Whistle Blowing Policy

The Group has in place a Code of 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 Conduct is sent to all employees and newly hired employees have a separate briefing on the Policy.

In line with the Code of 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. 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. 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 whistleblowing 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 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, who has close to three decades of internal audit experience within the Group, 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.

## 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.***



# CORPORATE GOVERNANCE REPORT

## 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, press releases, SGXNET announcements and its corporate website at [www.hawpar.com](http://www.hawpar.com). In line with its sustainability efforts and the increasing prevalence of the use of the internet, the Company's Annual Report is made available through the Group's website and SGXNET. The manner in which the Annual Report may be accessed, that is, by entering the URL or scanning the QR Code is provided 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. Physical copies of the Request Form and the Notice of AGM are circulated to all shareholders. By filling in the Request Form, shareholders may also request for a physical copy of the Annual Report.

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](mailto: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, 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 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.

## 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 substantially separate issues at the meeting. 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.

# CORPORATE GOVERNANCE REPORT

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 51st AGM of the Company held on 10 June 2020 was held 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 ("COVID-19 Temporary Measures Order"). Alternative arrangements relating to 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), can be found at the following webpage of the Company's website: [www.hawpar.com/agm2021](http://www.hawpar.com/agm2021).

## **Forthcoming AGM to be Convened and Held by Electronic Means**

In view of the current COVID-19 situation, the forthcoming AGM to be held in respect of FY2020 will be convened and held by 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. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio only stream), submission of questions to the Chairman of the Meeting in advance of the AGM, addressing of substantial and relevant questions at, or prior to, the AGM and voting by appointing the Chairman of the Meeting as proxy at the AGM, will be put in place for the AGM.

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.

## **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.

# CORPORATE GOVERNANCE REPORT

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

We welcome feedback from our stakeholders on our sustainability reports at [sustainability@hawpar.com](mailto:sustainability@hawpar.com).

## OTHER GOVERNANCE PRACTICES

### Investment Committee

The Investment Committee ("IC") is headed by the Chairman of the Board and comprises one Executive Director and the GFC. 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. During the year, there were no interested person transactions entered into by the Company and any Director that require disclosure under the SGX-ST listing rules.

### 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.

### 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 the insider trading laws at all times. There are also internal policies/guidelines on confidentiality and safeguards for the handling of confidential information.

# DIRECTORS' STATEMENT & FINANCIAL STATEMENTS

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# DIRECTORS' STATEMENT

For the financial year ended 31 December 2020

The Directors present their statement to the members together with the audited financial statements of the Group for the financial year ended 31 December 2020 and the statement of financial position of the Company as at 31 December 2020.

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 2020 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 &amp; Chief Executive Officer)</i>
Sat Pal Khattar	
Hwang Soo Jin	
Lee Suan Yew	
Chew Kia Ngee	
Peter Sim Swee Yam	
Gn Hiang Meng	
Chew Choon Soo	
Low Weng Keong	(appointed on 19 June 2020)

## 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.

# DIRECTORS' STATEMENT

For the financial year ended 31 December 2020

## 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	
	31.12.2020	1.1.2020	31.12.2020	1.1.2020
<u>Interest in the Company's ordinary shares</u>				
Wee Cho Yaw	1,092,373	1,092,373	79,728,935	77,728,935
Wee Ee Lim	437,192	437,192	75,001,783	73,001,783
Wee Ee-chao	13,826	13,826	75,135,381	73,135,381
Sat Pal Khattar	–	–	96,219	96,219

- (b) By virtue of Section 7 of the Companies Act (Cap. 50), 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 2021 were the same as those as at 31 December 2020.

## 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.

The number of unissued ordinary shares of the Company covered by the options in relation to the 2002 Scheme outstanding at the end of the financial year was as follows:

Date of grant	Number of unissued shares covered by the options		
	Balance at 31.12.2020	Exercise price	Exercise period
4.3.2016	43,000	\$8.00	4.3.2017 – 3.3.2021
1.3.2017	134,000	\$9.96	1.3.2018 – 28.2.2022
	<u>177,000</u>		

During the financial year, 119,000 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 \$9.70 to \$12.79 per share. Further information can be found in Note 5(b)(ii) to the financial statements.



# DIRECTORS' STATEMENT

For the financial year ended 31 December 2020

## 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, comprising the following Directors:

Sat Pal Khattar (Chairman)  
Wee Cho Yaw  
Chew Choon Soo  
Gn Hiang Meng (appointed as member of the Committee on 19 June 2020)

- (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 31.12.2020	Aggregate number of shares comprised in options exercised since commencement of scheme to 31.12.2020	Aggregate number of shares comprised in options that have expired since commencement of scheme to 31.12.2020	Aggregate number of shares comprised in options outstanding as at 31.12.2020
Wee Ee Lim	–	48,000	48,000	–	–

- (3) No options are granted to 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 2020.
- (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 2020

## AUDIT AND RISK COMMITTEE

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

Chew Kia Ngee	(Chairman)
Gn Hiang Meng	
Peter Sim Swee Yam	
Low Weng Keong	(appointed as member of the Committee on 19 June 2020)

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 2020 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, 22 February 2021

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

For the financial year ended 31 December 2020

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Our opinion

In our opinion, the accompanying consolidated financial statements of Haw Par Corporation Limited (the "Company") and its subsidiaries (the "Group") and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2020 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 2020;
- the consolidated statement of comprehensive income of the Group for the financial year ended 31 December 2020;
- the statements of financial position of the Group and of the Company as at 31 December 2020;
- 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 2020

## 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 2020. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
<p><b>Ownership and valuation of strategic investments</b> (Note 9 of the financial statements)</p> <p>As at 31 December 2020, the Group's strategic investments, classified as financial assets carried at fair value through other comprehensive income ("FVOCI"), amounted to \$2,253 million (2019: \$2,622 million), representing 76% and 78% (2019: 81% and 83%) of the Group's total assets and net assets respectively. These strategic investments comprise primarily quoted equity investments.</p> <p>A material misstatement in the strategic investments balance can arise either from the recognition of an investment which the Group does not own or an inaccurate determination of the fair value of an investment.</p>	<p>We obtained confirmations from 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 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 2020

## 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 2020

## 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 Yeoh Oon Jin.

PricewaterhouseCoopers LLP  
Public Accountants and Chartered Accountants

Singapore, 22 February 2021

# CONSOLIDATED INCOME STATEMENT

For the financial year ended 31 December 2020

	Note	The Group	
		2020 \$'000	2019 \$'000
<b>Revenue</b>	3	<b>111,032</b>	243,987
Cost of sales		<b>(62,205)</b>	(104,537)
<b>Gross profit</b>		<b>48,827</b>	139,450
Other income	3	<b>106,835</b>	116,466
Distribution and marketing expenses		<b>(21,019)</b>	(46,241)
General and administrative expenses		<b>(13,878)</b>	(14,277)
Finance expenses		<b>(76)</b>	(196)
Share of profit of associated company		<b>3,517</b>	1,765
<b>Profit before taxation</b>		<b>124,206</b>	196,967
Taxation	6	<b>(4,433)</b>	(14,760)
<b>Profit for the financial year, net of tax</b>		<b>119,773</b>	182,207
<b>Earnings per share attributable to equity holders of the Company</b>	8		
– Basic		<b>54.2 cents</b>	82.4 cents
– Diluted		<b>54.2 cents</b>	82.4 cents

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

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2020

	The Group	
	2020 \$'000	2019 \$'000
<b>Profit for the financial year, net of tax</b>	<b>119,773</b>	182,207
<b>Other comprehensive income/(loss)</b>		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Currency translation differences on consolidation of foreign entities (net)	<b>805</b>	(58)
<i>Items that will not be reclassified subsequently to profit or loss:</i>		
Fair value changes on investments (net)	<b>(326,493)</b>	298,414
<b>Other comprehensive (loss)/income for the financial year, net of tax</b>	<b>(325,688)</b>	298,356
<b>Total comprehensive (loss)/income for the financial year</b>	<b>(205,915)</b>	480,563

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



STATEMENTS OF  
FINANCIAL POSITION

As at 31 December 2020

	Note	The Group		The Company	
		2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>ASSETS</b>					
Cash and bank balances	13	554,412	465,599	450,191	366,408
Trade and other receivables	13	14,436	30,350	34,101	47,068
Inventories	13	15,323	20,136	–	–
Tax recoverable		511	–	–	–
Deferred income tax assets	6	3,648	2,093	–	–
Associated company	16	10,222	7,105	2,895	2,895
Subsidiaries	16	–	–	561,696	562,561
Investment properties	12	55,870	56,263	–	–
Property, plant and equipment	11	31,068	26,813	–	–
Intangible assets	10	11,116	11,116	–	–
Strategic investments	9	2,252,562	2,621,786	–	–
<b>Total assets</b>		<b>2,949,168</b>	<b>3,241,261</b>	<b>1,048,883</b>	<b>978,932</b>
<b>LIABILITIES</b>					
Trade and other payables	13	56,520	64,544	50,623	48,987
Borrowings	13	–	7,822	–	7,822
Current income tax liabilities		6,608	11,643	448	1,139
Deferred income tax liabilities	6	874	820	–	–
<b>Total liabilities</b>		<b>64,002</b>	<b>84,829</b>	<b>51,071</b>	<b>57,948</b>
<b>NET ASSETS</b>		<b>2,885,166</b>	<b>3,156,432</b>	<b>997,812</b>	<b>920,984</b>
<b>EQUITY</b>					
<b>Equity attributable to equity holders of the Company</b>					
Share capital	14	267,232	266,228	267,232	266,228
Retained profits		1,175,387	1,107,374	730,454	654,630
Other reserves		1,442,547	1,782,830	126	126
<b>Total equity</b>		<b>2,885,166</b>	<b>3,156,432</b>	<b>997,812</b>	<b>920,984</b>

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

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2020

	← Attributable to equity holders of the Company →						
	Share capital \$'000	Statutory reserve <sup>1</sup> \$'000	Capital reserve \$'000	Fair value reserve \$'000	Foreign currency translation reserve \$'000	Retained profits \$'000	Total equity \$'000
<b>2020</b>							
Balance at 1 January 2020	266,228	2,389	38	1,780,736	(333)	1,107,374	3,156,432
Issue of share capital	1,004	–	–	–	–	–	1,004
Transfer of cumulative gain on disposal of investments to retained profits	–	–	–	(14,595)	–	14,595	–
Dividends paid (Note 7)	–	–	–	–	–	(66,355)	(66,355)
Total comprehensive (loss)/income for the financial year	–	–	–	(326,493)	805	119,773	(205,915)
<b>Balance at 31 December 2020</b>	<b>267,232</b>	<b>2,389</b>	<b>38</b>	<b>1,439,648</b>	<b>472</b>	<b>1,175,387</b>	<b>2,885,166</b>
<b>2019</b>							
Balance at 1 January 2019	264,173	2,389	38	1,486,478	(275)	1,175,230	2,928,033
Issue of share capital	2,055	–	–	–	–	–	2,055
Transfer of cumulative gain on disposal of investments to retained profits	–	–	–	(4,156)	–	4,156	–
Dividends paid (Note 7)	–	–	–	–	–	(254,219)	(254,219)
Total comprehensive income/(loss) for the financial year	–	–	–	298,414	(58)	182,207	480,563
<b>Balance at 31 December 2019</b>	<b>266,228</b>	<b>2,389</b>	<b>38</b>	<b>1,780,736</b>	<b>(333)</b>	<b>1,107,374</b>	<b>3,156,432</b>

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 2020

	Note	The Group	
		2020 \$'000	2019 \$'000
<b>Cash flows from operating activities</b>			
Profit before tax		124,206	196,967
Adjustments for:			
Dividend income	3	(97,937)	(106,323)
Depreciation of property, plant and equipment and investment properties		6,541	6,463
Interest income	3	(4,712)	(8,497)
Share of profit of associated company		(3,517)	(1,765)
Inventories written down	13	306	46
Write-back of unclaimed dividends		(257)	(252)
Finance expenses		76	196
Loss on disposal and write-off of property, plant and equipment		11	13
Allowance for impairment of receivables		4	–
Unrealised currency translation losses		619	284
<b>Operating profit before working capital changes</b>		<b>25,340</b>	<b>87,132</b>
Decrease in inventories		4,507	4,297
Decrease in trade and other receivables		14,410	10,121
Decrease in trade and other payables		(7,781)	(2,230)
<b>Cash generated from operations</b>		<b>36,476</b>	<b>99,320</b>
Net taxation paid		(11,448)	(15,168)
<b>Net cash from operating activities</b>		<b>25,028</b>	<b>84,152</b>
<b>Cash flows from investing activities</b>			
Dividend income received		97,937	106,323
Proceeds from disposal of investments	9	64,049	20,342
Purchase of investments		(20,962)	–
Purchase of property, plant and equipment		(7,542)	(2,965)
Interest income received		6,159	8,402
Improvements to investment properties		(1,955)	(1,920)
Dividends from associated company		400	400
Proceeds from disposal of property, plant and equipment		–	2
<b>Net cash from investing activities</b>		<b>138,086</b>	<b>130,584</b>
<b>Cash flows from financing activities</b>			
Payment of dividends to members of the Company	7	(66,355)	(254,219)
Repayment of borrowings	13	(8,197)	(16,186)
Proceeds from issue of share capital for share options exercised	14	1,004	2,055
Principal payment of lease liabilities		(174)	(148)
Interest paid on borrowings and lease liabilities		(82)	(206)
<b>Net cash used in financing activities</b>		<b>(73,804)</b>	<b>(268,704)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>89,310</b>	<b>(53,968)</b>
Cash and cash equivalents at beginning of the financial year		465,390	519,427
Effects of currency translation on cash and cash equivalents		(496)	(69)
<b>Cash and cash equivalents at end of the financial year</b>	13	<b>554,204</b>	<b>465,390</b>

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

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 16.

## 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 17.

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 2020

## 2. BASIS OF PREPARATION (CONTINUED)

### (a) Impact of COVID-19

The COVID-19 pandemic has upended business operations across all sectors and countries, tipping many major global economies into recession. To curb the spread of the virus, many countries have imposed lockdowns and travel restrictions, and these measures had severely impacted the Group's operating businesses and financial performance. The valuation of the Group's strategic investments was also significantly affected due to the negative market sentiments in Singapore.

The Group has assessed that the going concern basis used in preparing the financial statements for the year ended 31 December 2020 remains appropriate. The Group has also considered market conditions as at the balance sheet date, in making estimates and judgements on the recoverability and carrying value of assets including goodwill.

### (b) Interpretations and amendments to published standards effective in 2020

On 1 January 2020, 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 in the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and INT SFRS(I) including the following:

- Amendments to SFRS(I) 3 *Business Combinations*
- Amendments to SFRS(I) 9 *Financial Instruments*, SFRS(I) 1-39 *Financial Instruments: Recognition and Measurement*, and SFRS(I) 7 *Financial Instruments: Disclosures*
- Amendments to SFRS(I) 16 *Leases* (effective 1 June 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.

### (c) New accounting standards and SFRS(I) Interpretations and Amendments effective in 2021 or after

*Effective for financial periods beginning on or after 1 January 2021*

- Amendments to SFRS(I) 1-1 *Presentation of Financial Statements*
- 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*

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



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 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).

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 investments, investment properties, property, plant and equipment, intangible assets, inventories, receivables, 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 2020

## 3. SEGMENTAL REPORTING (CONTINUED)

### (a) Reportable segments

	Healthcare products	Investments	Others <sup>1</sup>	Consolidated
	\$'000	\$'000	\$'000	\$'000
<b>2020</b>				
Total segment revenue	93,008	–	18,874	111,882
Inter-segment revenue	–	–	(850)	(850)
Revenue from external parties	93,008	–	18,024	111,032
Dividend income	–	97,937	–	97,937
Interest income	–	4,712	–	4,712
Miscellaneous income	2,718	702	766	4,186
Total other income	2,718	103,351	766	106,835
Total revenue and other income	95,726	103,351	18,790	217,867
Depreciation	3,234	102	3,205	6,541
Finance expense	30	46	–	76
Segment profit	16,200	101,027	9,139	126,366
Unallocated expenses				(5,677)
Share of profit of associated company	–	3,517	–	3,517
Profit before taxation				124,206
Taxation				(4,433)
Earnings for the financial year				119,773
Segment assets	157,658	2,725,435	61,916	2,945,009
Tax recoverable				511
Deferred income tax assets				3,648
Total assets per statement of financial position				2,949,168
Expenditures for segment non-current assets				
– Additions to property, plant and equipment	7,277	39	350	7,666
– Investment properties improvements	–	–	2,044	2,044
	7,277	39	2,394	9,710
Segment liabilities	43,767	6,231	6,522	56,520
Current income tax liabilities				6,608
Deferred income tax liabilities				874
Total liabilities per statement of financial position				64,002

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 2020

## 3. SEGMENTAL REPORTING (CONTINUED)

### (a) Reportable segments (continued)

	Healthcare products \$'000	Investments \$'000	Others <sup>1</sup> \$'000	Consolidated \$'000
<b>2019</b>				
Total segment revenue	224,011	–	20,833	244,844
Inter-segment revenue	–	–	(857)	(857)
Revenue from external parties	224,011	–	19,976	243,987
Dividend income	–	106,323	–	106,323
Interest income	–	8,497	–	8,497
Miscellaneous income	239	643	764	1,646
Total other income	239	115,463	764	116,466
Total revenue and other income	224,250	115,463	20,740	360,453
Depreciation	3,296	103	3,064	6,463
Finance expense	32	164	–	196
Segment profit	74,777	114,102	10,815	199,694
Unallocated expenses				(4,492)
Share of profit of associated company	–	1,765	–	1,765
Profit before taxation				196,967
Taxation				(14,760)
Earnings for the financial year				182,207
Segment assets	167,593	3,009,002	62,573	3,239,168
Deferred income tax assets				2,093
Total assets per statement of financial position				3,241,261
Expenditures for segment non-current assets				
– Additions to property, plant and equipment	2,973	50	54	3,077
– Investment properties improvements	–	–	2,204	2,204
	2,973	50	2,258	5,281
Segment liabilities	49,351	16,191	6,824	72,366
Current income tax liabilities				11,643
Deferred income tax liabilities				820
Total liabilities per statement of financial position				84,829

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 2020

### 3. SEGMENTAL REPORTING (CONTINUED)

#### (a) Reportable segments (continued)

Revenue consists of the following:

	The Group	
	2020 \$'000	2019 \$'000
Sale of goods	93,297	224,725
Rendering of services	1,227	3,753
Rental income	16,508	15,509
<b>Total revenue</b>	<b>111,032</b>	<b>243,987</b>

#### (b) Geographical Information (excluding strategic investments)

	2020 \$'000	2019 \$'000
<b>Revenue<sup>(i)</sup></b>		
Singapore	23,225	31,293
Other ASEAN countries	16,079	89,996
Other Asian countries	26,397	76,855
Other countries	45,331	45,843
<b>Total</b>	<b>111,032</b>	<b>243,987</b>
<b>Non-current assets<sup>(ii)</sup></b>		
Singapore	74,625	73,459
Malaysia	22,559	16,149
Other ASEAN countries	955	1,273
Other Asian countries	10,137	10,416
<b>Total</b>	<b>108,276</b>	<b>101,297</b>

(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 \$16,508,000 (2019: \$15,509,000) 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 2020

## 3. SEGMENTAL REPORTING (CONTINUED)

### (c) Major customers

Revenue of approximately \$22,776,000 (2019: \$121,286,000) was contributed from one external customer (2019: two groups). These revenues are attributable to the sale of Healthcare products to distributors belonging to the same group of companies.

### (d) Miscellaneous income

Grant income of approximately \$2,453,000 (2019: nil) was recognised during the financial year under the Jobs Support Scheme ("JSS"). The JSS is a temporary scheme introduced by the Singapore Government to provide wage support to help employers retain local employees.

## 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 2020

## 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	Others \$'000	Total \$'000
<b>Group</b>			
<u>At 31 December 2020</u>			
Cash and cash equivalents and financial assets (FVOCI)	69,017	7,246	76,263
Borrowings	–	–	–
<b>Currency exposure on financial assets and liabilities</b>	<b>69,017</b>	<b>7,246</b>	<b>76,263</b>

	USD \$'000	JPY \$'000	Others \$'000	Total \$'000
<u>At 31 December 2019</u>				
Cash and cash equivalents and financial assets (FVOCI)	93,282	12,159	9,616	115,057
Borrowings	–	(7,822)	–	(7,822)
<b>Currency exposure on financial assets and liabilities</b>	<b>93,282</b>	<b>4,337</b>	<b>9,616</b>	<b>107,235</b>

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:

	CAD \$'000	Others \$'000	Total \$'000
<b>Company</b>			
<u>At 31 December 2020</u>			
Cash and cash equivalents	295	7	302
Borrowings	–	–	–
<b>Currency exposure on financial assets and liabilities</b>	<b>295</b>	<b>7</b>	<b>302</b>

	JPY \$'000	Others \$'000	Total \$'000
<u>At 31 December 2019</u>			
Cash and cash equivalents	–	297	297
Borrowings	(7,822)	–	(7,822)
<b>Currency exposure on financial assets and liabilities</b>	<b>(7,822)</b>	<b>297</b>	<b>(7,525)</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 4. FINANCIAL RISK MANAGEMENT (CONTINUED)

### (a) Foreign currency risk (continued)

A 10% (2019: 10%) weakening of Singapore Dollar against the following currencies at reporting date would increase/ (decrease) profit or loss by the amounts shown below, with all other variables including tax rate being held constant:

	USD	Others	Total
	\$'000	\$'000	\$'000

#### Group

At 31 December 2020

Profit or loss, after tax	4,577	520	5,097
Other comprehensive income	410	–	410

	USD	JPY	Others	Total
	\$'000	\$'000	\$'000	\$'000

At 31 December 2019

Profit or loss, after tax	4,985	–	820	5,805
Other comprehensive income	3,450	434	–	3,884

	CAD	Others	Total
	\$'000	\$'000	\$'000

#### Company

At 31 December 2020

Profit or loss, after tax	30	–	30
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	JPY	Others	Total
	\$'000	\$'000	\$'000

At 31 December 2019

Profit or loss, after tax	(782)	30	(752)
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A 10% (2019: 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.

### (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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 4. FINANCIAL RISK MANAGEMENT (CONTINUED)

### (b) Credit risk (continued)

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. As of 31 December 2020, the Group does not have any external bank borrowings.

Details of various risk exposure in terms of market price risk and credit risk, can be found in Notes 9(a) and 13(b) respectively.

### (d) Financial instruments by category

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

	Note	The Group		The Company	
		2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>Financial Assets</b>					
Strategic investments (FVOCI)	9	<b>2,252,562</b>	2,621,786	–	–
Cash and bank balances and trade and other receivables (Amortised cost)		<b>568,575</b>	495,650	<b>484,279</b>	413,462
		<b>2,821,137</b>	3,117,436	<b>484,279</b>	413,462
<b>Financial Liabilities</b>					
Trade and other payables and borrowings (Amortised cost)		<b>56,520</b>	72,366	<b>50,623</b>	56,809

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 5. EXPENSES

### (a) Breakdown by expenses

	The Group	
	2020 \$'000	2019 \$'000
Purchase of inventories	<b>29,927</b>	65,657
Changes in inventories	<b>4,507</b>	4,297
	<b>34,434</b>	69,954
Sales and marketing expenses	<b>14,721</b>	37,511
Employee costs (Note 5(b))	<b>22,714</b>	35,048
Depreciation		
– property, plant and equipment (Note 11)	<b>3,974</b>	4,040
– investment properties (Note 12)	<b>2,567</b>	2,423
Repair and maintenance	<b>1,812</b>	2,747
Utilities	<b>1,988</b>	2,511
Property tax	<b>2,056</b>	2,016
Professional and legal fees	<b>695</b>	1,024
Auditors' remuneration:		
– Auditor of the Company:		
– audit fees	<b>288</b>	331
– non-audit fees	<b>4</b>	4
– underprovision of audit fees in respect of prior year	<b>–</b>	23
– Other auditors:		
– audit fees	<b>31</b>	27
– non-audit fees	<b>4</b>	6
Trademark expenses	<b>156</b>	554
Inventories written down	<b>306</b>	46
Finance expense		
– borrowings	<b>46</b>	164
– lease liabilities	<b>30</b>	32
Loss on disposal and write-off of property, plant and equipment	<b>11</b>	13
Foreign exchange loss, net	<b>2,349</b>	313

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 5. EXPENSES (CONTINUED)

### (b) Employee benefits

#### (i) Employee costs (including Executive Directors)

	The Group	
	2020 \$'000	2019 \$'000
Salaries and other short-term employee benefits (including directors' fees)	<b>21,057</b>	32,659
– Key management	<b>4,044</b>	5,949
– Other employees	<b>17,013</b>	26,710
Employer's contribution to Central Provident Fund and other defined contribution plans	<b>1,657</b>	2,389
– Key management	<b>87</b>	106
– Other employees	<b>1,570</b>	2,283
	<b>22,714</b>	35,048

Total compensation to Directors of the Company included in the above amounted to \$2,697,000 (2019: \$3,956,000).

- (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 remain valid until the respective expiry dates and no later than 28 February 2022.

	Number of shares	
	2020	2019
<b>Under 2002 Scheme:</b>		
Outstanding at beginning of the financial year	<b>296,000</b>	527,000
Cancelled/ Expired/ Not accepted	–	–
Exercised	<b>(119,000)</b>	(231,000)
Outstanding at end of the financial year	<b>177,000</b>	296,000
Exercisable at end of the financial year	<b>177,000</b>	296,000



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 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					Exercise price	Exercise period
	Balance at beginning of financial year	Granted during financial year	Cancelled/ Expired/ Not Accepted	Exercised	Balance at end of financial year		
<b>2020</b>							
3.3.2015	33,000	–	–	(33,000)	–	\$8.58	3.3.2016 – 2.3.2020
4.3.2016	112,000	–	–	(69,000)	43,000	\$8.00	4.3.2017 – 3.3.2021
1.3.2017	151,000	–	–	(17,000)	134,000	\$9.96	1.3.2018 – 28.2.2022
	<b>296,000</b>	<b>–</b>	<b>–</b>	<b>(119,000)</b>	<b>177,000</b>		
<b>2019</b>							
3.3.2014	30,000	–	–	(30,000)	–	\$8.55	3.3.2015 – 1.3.2019
3.3.2015	138,000	–	–	(105,000)	33,000	\$8.58	3.3.2016 – 2.3.2020
4.3.2016	142,000	–	–	(30,000)	112,000	\$8.00	4.3.2017 – 3.3.2021
1.3.2017	217,000	–	–	(66,000)	151,000	\$9.96	1.3.2018 – 28.2.2022
	<b>527,000</b>	<b>–</b>	<b>–</b>	<b>(231,000)</b>	<b>296,000</b>		

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 2020

## 6. TAXATION

### (a) Tax expense

	The Group	
	2020	2019
	\$'000	\$'000
Tax expense attributable to profit is made up of:		
<b>Current taxation</b>		
Current year:		
– Singapore	3,825	10,570
– Overseas	1,696	4,474
	<b>5,521</b>	15,044
(Over)/under provision in respect of previous years:		
– Singapore	(103)	(105)
– Overseas	529	(392)
	<b>426</b>	(497)
<b>Deferred taxation</b>		
Origination and reversal of temporary differences:		
– Singapore	(78)	(77)
– Overseas	(1,615)	293
	<b>(1,693)</b>	216
Under/(over) provision in respect of previous years:		
– Singapore	5	(3)
– Overseas	174	–
	<b>179</b>	(3)
	<b>4,433</b>	14,760

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:

	The Group	
	2020	2019
	\$'000	\$'000
Profit before taxation	124,206	196,967
Share of profit of associated company	(3,517)	(1,765)
Profit before taxation and share of profit of associated company	<b>120,689</b>	195,202
Taxation at applicable Singapore tax rate of 17% (2019: 17%)	<b>20,517</b>	33,184
Adjustments:		
– Tax rate difference in foreign subsidiaries	87	588
– Withholding taxes	446	1,494
– Tax effect of expenses not deductible for tax purposes	1,053	859
– Tax effect of income not subject to tax	(17,626)	(18,967)
– Tax rebates, exemptions and incentives	(826)	(1,853)
– Utilisation of previously unrecognised deferred taxes	(2)	(45)
– Deferred income tax asset not recognised	179	–
– Under/(over) provision in respect of previous years	605	(500)
Taxation expense	<b>4,433</b>	14,760

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 6. TAXATION (CONTINUED)

### (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:

	The Group	
	2020 \$'000	2019 \$'000
Deferred tax liabilities	874	820
Deferred tax assets	(3,648)	(2,093)
	<b>(2,774)</b>	<b>(1,273)</b>

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:

	Deferred income tax liabilities		Deferred income tax assets			
	Accelerated tax depreciation \$'000	Total \$'000	Provisions \$'000	Others \$'000	Total \$'000	Net \$'000
<b>The Group</b>						
<b>2020</b>						
Beginning of financial year	1,017	1,017	(2,215)	(75)	(2,290)	(1,273)
Charged/(credited) to profit or loss	60	60	(1,577)	3	(1,574)	(1,514)
Currency translation differences	3	3	10	–	10	13
End of financial year	<b>1,080</b>	<b>1,080</b>	<b>(3,782)</b>	<b>(72)</b>	<b>(3,854)</b>	<b>(2,774)</b>
<b>2019</b>						
Beginning of financial year	826	826	(2,176)	(7)	(2,183)	(1,357)
Charged/(credited) to profit or loss	189	189	92	(68)	24	213
Currency translation differences	2	2	(131)	–	(131)	(129)
End of financial year	<b>1,017</b>	<b>1,017</b>	<b>(2,215)</b>	<b>(75)</b>	<b>(2,290)</b>	<b>(1,273)</b>

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 \$23.4 million (2019: \$22.6 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 \$0.9 million which will expire between 2021 and 2025 (2019: \$0.1 million which will expire between 2020 and 2024).

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 7. DIVIDENDS

	The Group	
	2020	2019
	\$'000	\$'000
<i>Ordinary dividends paid:</i>		
Final exempt 2019 dividend of 15 cents per share (2019: Final exempt 2018 dividend of 15 cents per share and special exempt dividend of 85 cents per share)	33,177	221,058
Interim exempt 2020 dividend of 15 cents per share (2019: Interim exempt 2019 dividend of 15 cents per share)	33,178	33,161
	<b>66,355</b>	<b>254,219</b>
Dividend per share (net of tax)	<b>30 cents</b>	115 cents

Final dividends to the Company's members are recognised when the dividends are approved by the members. 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 2020 (2019: 15 cents per share, amounting to \$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 2021.

In accordance with the Constitution of the Company, unclaimed dividends outstanding for more than 6 years of about \$257,000 (2019: \$252,000) were written back.

## 8. EARNINGS PER SHARE

	The Group	
	2020	2019
	\$'000	\$'000
Earnings for the financial year	119,773	182,207
	'000	'000
Weighted average number of ordinary shares for calculation of basic earnings per share	221,165	221,023
Dilution adjustment for share options	15	113
Adjusted weighted average number of shares for calculation of diluted earnings per share	221,180	221,136
<b><i>Earnings per share attributable to equity holders of the Company</i></b>		
– Basic	54.2 cents	82.4 cents
– Diluted	54.2 cents	82.4 cents

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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 9. STRATEGIC INVESTMENTS

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

	The Group	
	2020	2019
	\$'000	\$'000
Singapore listed equity securities		
– United Overseas Bank Limited	1,690,874	1,973,060
– UOL Group Limited	554,024	596,531
	<b>2,244,898</b>	2,569,591
Others	7,664	52,195
	<b>2,252,562</b>	2,621,786

- (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 quoted overseas change by 20% (2019: 10%) with all other variables including tax rate being held constant, the Group's equity and other comprehensive income will be affected by:

	2020	2019
	\$'000	\$'000
<u>Listed in Singapore</u>		
– increased by	449,693	257,513
– decreased by	(449,693)	(257,513)
<u>Quoted overseas</u>		
– increased by	–	4,327
– decreased by	–	(4,327)

- (b) During the financial year, the Group disposed of certain of its investments for cash and realised the capital appreciation. These investments had a fair value of approximately \$64,049,000 at the date of disposal. The cumulative gain on disposal of \$14,595,000 was reclassified from fair value reserve to retained profits.

In 2019, the Group disposed of certain investments which had a fair value of approximately \$20,342,000 at the date of disposal, with cumulative gain on disposal of \$4,156,000 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. During the 2019 financial year, provisional liquidators were appointed and on 2 December 2019, the Hong Kong High Court ordered that the company be wound up.

On 27 November 2020, the HKSE informed Hua Han that the Listing Committee had decided to cancel the Hua Han's listing and the listing of its shares was cancelled on 16 December 2020.

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 (2019: nil).



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 10. INTANGIBLE ASSETS

	The Group		The Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Goodwill on consolidation	11,116	11,116	–	–
Trademarks	–	–	–	–
	<b>11,116</b>	11,116	–	–

### (a) Goodwill on consolidation

	The Group	
	2020 \$'000	2019 \$'000
<b>Cost</b>		

Balance at beginning and end of financial year	<b>11,116</b>	11,116
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#### *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	8.0% (2019: 4.9%) per annum
Growth rate	0.0% (2019: 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 2020

## 11. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings \$'000	Plant and equipment \$'000	Total \$'000
<b>The Group</b>			
<i>Cost</i>			
At 1 January 2020	31,194	39,206	70,400
Additions	6,855	811	7,666
Disposals/write-offs	–	(305)	(305)
Currency translation differences	403	392	795
At 31 December 2020	38,452	40,104	78,556
<i>Accumulated depreciation</i>			
At 1 January 2020	18,632	24,955	43,587
Depreciation charge for the year	1,135	2,839	3,974
Disposals/write-offs	–	(294)	(294)
Currency translation differences	(26)	247	221
At 31 December 2020	19,741	27,747	47,488
<b>Net book value</b>			
<b>At 31 December 2020</b>	<b>18,711</b>	<b>12,357</b>	<b>31,068</b>
<b>Leasehold land and buildings</b>			
	Leasehold land and buildings \$'000	Plant and equipment \$'000	Total \$'000
<i>Cost</i>			
At 1 January 2019	29,938	38,247	68,185
Additions	1,233	1,844	3,077
Disposals/write-offs	(361)	(812)	(1,173)
Currency translation differences	384	(73)	311
At 31 December 2019	31,194	39,206	70,400
<i>Accumulated depreciation</i>			
At 1 January 2019	17,252	22,972	40,224
Depreciation charge for the year	1,231	2,809	4,040
Disposals/write-offs	(361)	(797)	(1,158)
Currency translation differences	510	(29)	481
At 31 December 2019	18,632	24,955	43,587
<b>Net book value</b>			
<b>At 31 December 2019</b>	<b>12,562</b>	<b>14,251</b>	<b>26,813</b>

Included in land and buildings is freehold land amounting to \$7,038,000 (2019: nil).

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 11. 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 \$'000	Plant and equipment \$'000	Total \$'000
At 1 January 2020	1,795	23	1,818
Additions	124	–	124
Currency translation differences	45	–	45
Depreciation expense	(183)	(23)	(206)
At 31 December 2020	<b>1,781</b>	<b>–</b>	<b>1,781</b>
At 1 January 2019	1,871	47	1,918
Additions	112	–	112
Currency translation differences	(27)	–	(27)
Depreciation expense	(161)	(24)	(185)
At 31 December 2019	<b>1,795</b>	<b>23</b>	<b>1,818</b>

(ii) Expenses relating to short-term and low-value leases not recognised as right-of-use assets and lease liabilities amounted to \$197,000 (2019: \$272,000) and \$25,000 (2019: \$29,000) respectively. Total cash outflow for all leases was \$426,000 (2019: \$493,000).

(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 2020

## 12. 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	
	2020	2019
	\$'000	\$'000
<i>Cost</i>		
Beginning of financial year	124,197	122,161
Improvements	2,044	2,204
Currency translation differences	248	(168)
End of financial year	<u>126,489</u>	<u>124,197</u>
<i>Accumulated depreciation and impairment losses</i>		
Beginning of financial year	67,934	65,592
Depreciation charge for the year	2,567	2,423
Currency translation differences	118	(81)
End of financial year	<u>70,619</u>	<u>67,934</u>
<i>Net book value</i>		
As at 31 December	<u>55,870</u>	<u>56,263</u>
At valuation:		
Freehold properties	35,598	35,958
Leasehold properties	<u>181,800</u>	<u>181,700</u>

### (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% (2019: 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 2020

## 12. INVESTMENT PROPERTIES (CONTINUED)

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

	The Group	
	2020 \$'000	2019 \$'000
Rental income (Note 3)	16,508	15,509
Direct operating expenses arising from investment properties that generated rental income	(7,312)	(7,209)

(c) Certain investment properties with a carrying value of \$42,009,000 (2019: \$42,088,000) and fair value of \$181,800,000 (2019: \$181,700,000) are pledged to the banks as security for bank credit facilities.

(d) The details of the Group's investment properties as at 31 December 2020 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 10,251 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 15,700 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

(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:

	The Group	
	2020 \$'000	2019 \$'000
Less than one year	15,808	15,787
One to two years	10,328	11,748
Two to three years	3,693	6,470
Three to four years	210	483
Total undiscounted lease payment	30,039	34,488

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 13. WORKING CAPITAL BALANCES

### (a) Cash and bank balances

	The Group		The Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Short term bank deposits	<b>523,281</b>	428,452	<b>446,000</b>	362,759
Cash at bank and on-hand	<b>31,131</b>	37,147	<b>4,191</b>	3,649
	<b>554,412</b>	465,599	<b>450,191</b>	366,408

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 \$15,261,000 (2019: \$9,812,000) 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.

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

	The Group	
	2020 \$'000	2019 \$'000
Cash and bank balances (as above)	<b>554,412</b>	465,599
Less: Bank deposits pledged for banking facilities	<b>(208)</b>	(209)
Cash and cash equivalents per consolidated statement of cash flows	<b>554,204</b>	465,390

### (b) Trade and other receivables

	The Group		The Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Trade receivables	<b>11,399</b>	24,284	<b>2,251</b>	4,630
Advances to subsidiaries	–	–	<b>31,422</b>	40,567
Other receivables	<b>3,037</b>	6,066	<b>428</b>	1,871
	<b>14,436</b>	30,350	<b>34,101</b>	47,068

The Group's other receivables mainly comprise other debtors and deposits of approximately \$2,486,000 (2019: approximately \$4,043,000).

As at 1 January 2019, the Group and the Company's trade receivables amounted to \$35,093,000 and \$4,245,000 respectively.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 13. WORKING CAPITAL BALANCES (CONTINUED)

### (b) Trade and other receivables (continued)

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.

#### (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:

	Current \$'000	Past due within 1 month \$'000	Past due 1 to 3 months \$'000	Total \$'000
<b>The Group</b>				
Expected loss rate	–%	–%	1%	
<b>2020</b>				
Gross carrying amount	11,311	44	48	11,403
Loss allowance provision	–	–	(4)	(4)
Expected loss rate	–%	–%	1%	
<b>2019</b>				
Gross carrying amount	23,525	759	–	24,284
Loss allowance provision	–	–	–	–

2020 loss allowance provision includes a specific provision for one debtor amounting to approximately \$4,000.

Cash balances, advances to subsidiaries and other receivables 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 2020 and 2019 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 2020

## 13. WORKING CAPITAL BALANCES (CONTINUED)

### (c) Inventories

	The Group	
	2020 \$'000	2019 \$'000
Manufacturing stocks	9,922	12,052
Work in progress	1,427	3,021
Finished stocks	3,974	5,063
	<b>15,323</b>	<b>20,136</b>

The cost of inventories recognised as expense and included in "Cost of sales" amounted to \$34,434,000 (2019: \$69,954,000) (Note 5).

During the financial year, the Group recognised inventories write down of \$306,000 (2019: \$46,000). The inventories written down have been included in "Cost of sales" in profit or loss.

### (d) Trade and other payables

	The Group		The Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Trade payables	2,806	3,348	–	–
Other payables and accruals	52,822	60,256	4,559	4,654
Lease liabilities (Note 13(d)(i))	892	940	–	–
Advances from subsidiaries	–	–	46,064	44,333
	<b>56,520</b>	<b>64,544</b>	<b>50,623</b>	<b>48,987</b>

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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 13. 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	
	2020	2019
	\$'000	\$'000
<u>Lease liability</u>		
Beginning of financial year	940	978
Additions during the year	124	112
Principal and interest payment	(204)	(180)
Interest expense	30	32
Effects of changes in foreign exchange rates	2	(2)
End of financial year	<b>892</b>	940

The Group does not have any material financial liabilities maturing more than 12 months from 31 December 2020.

### (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.

The bank borrowings of the Group and the Company are exposed to interest rate changes and contractual repricing in less than 6 months from the reporting date for both financial years.

Bank borrowings and credit facilities of the Group are secured over certain investment properties (Note 12) and pledged deposits (Note 13(a)).

The carrying value of bank borrowings in 2019 approximated its fair value as they were expected to be settled within 12 months from the reporting date. The borrowings have been fully repaid during the financial year.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 13. WORKING CAPITAL BALANCES (CONTINUED)

### (e) Borrowings (continued)

#### (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 13(d)(i):

	The Group and the Company	
	2020 \$'000	2019 \$'000
<u>Borrowings</u>		
Beginning of financial year	7,822	23,251
Repayment of borrowings	(8,197)	(16,186)
Effects of changes in foreign exchange rates	375	757
End of financial year	–	7,822

## 14. SHARE CAPITAL

	The Group and the Company			
	2020		2019	
	Number of shares '000	Amount \$'000	Number of shares '000	Amount \$'000
Beginning of financial year	221,072	266,228	220,841	264,173
Issue of ordinary shares by virtue of exercise of share options (Note 5(b)(ii))	119	1,004	231	2,055
End of financial year	221,191	267,232	221,072	266,228

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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 14. SHARE CAPITAL (CONTINUED)

### (a) 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 2019.

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 2020 and 2019.

## 15. 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	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Property, plant and equipment	474	8,327	–	–

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 16. 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	
	2020 \$'000	2019 \$'000
Equity investments at cost:		
Unquoted, at written down cost	601,155	601,160
Allowance for impairment in value	(39,459)	(38,599)
	<b>561,696</b>	<b>562,561</b>

### Significant subsidiaries in the Group

Name of Company	Country of incorporation	Principal activities	Effective equity interest held by Group	
			2020 %	2019 %
<b>SUBSIDIARIES</b>				
<b>Healthcare products</b>				
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
<b>Leisure products and services</b>				
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



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 16. 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	
			2020 %	2019 %
<b>Property</b>				
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
<b>Investments</b>				
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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 16. 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	
			2020 %	2019 %
<b>Investments (continued)</b>				
Straits Maritime Leasing Private Limited	Singapore	Investment holding	100.0	100.0
Haw Par Brothers International (H.K.) Limited <sup>++</sup>	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.

### (b) Investment in an associated company

	The Group		The Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Investment in an associated company	10,222	7,105	2,895	2,895

Name of associated company	Country of incorporation	Principal activities	Effective equity interest held by Group	
			2020 %	2019 %
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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 17. 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.

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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 17. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (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.

### (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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 17. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (d) Investments and other financial assets

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

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at 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, 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 investments. The Group subsequently measures all 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 investment portfolio is hedged, the fair value changes on the hedged item resulting from currency risk are recognised in profit or loss instead. The fair value changes on the portion of the hedging instrument designated as fair value hedges are recognised in profit or loss within the same line item as the fair value changes from the hedged item.

Impairment losses (and reversal of impairment losses) on equity investments measured at fair value through other 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.

"Trade and other receivables" (Note 13) and "cash and bank balances" (Note 13) on the statement of financial position are assets initially recognised at fair value and subsequently measured at amortised cost. For impairment of trade receivables, the Group applies the simplified expected credit loss model as disclosed in Note 13(b)(i).

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 17. 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 17(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 2020

## 17. 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).

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 17. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (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.

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 17(e)(i)).

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 17. 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 2020

## 17. 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 17(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 11) while lease liabilities are presented within "Trade and other payables" (Note 13).

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 17. 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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 17. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (l) Currency translation (continued)

#### (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.

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.

## 18. 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 22 February 2021.



GROUP  
OFFICES**CORPORATE OFFICE****Haw Par Corporation Limited**

401 Commonwealth Drive  
#03-03 Haw Par Technocentre  
Singapore 149598  
Tel : 6337 9102  
Fax : 6336 9232  
Website : [www.hawpar.com](http://www.hawpar.com)

**HEALTHCARE****Haw Par Healthcare Limited**

401 Commonwealth Drive  
#03-03 Haw Par Technocentre  
Singapore 149598  
Tel : 6337 9102  
Fax : 6262 3436  
Website : [www.tigerbalm.com](http://www.tigerbalm.com)

**Tiger Balm (Malaysia) Sdn. Bhd.**

PLO 95 No.6  
Jalan Firma 1/1  
Tebrau Industrial Estate  
81100 Johor Bahru  
Malaysia

**Xiamen Tiger Medicals Co., Ltd**

289 Yang Guang West Road  
Hai Cang District  
Xiamen City 361027  
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 3875 6879  
Fax : 66 3875 6977  
Website : [www.underwaterworldpattaya.com](http://www.underwaterworldpattaya.com)

**PROPERTY & INVESTMENT****Haw Par Properties (Singapore) Private Limited**

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

**Haw Par Land (Malaysia) Sdn. Bhd.**

9th Floor, Menara Haw Par  
Jalan Sultan Ismail  
50250 Kuala Lumpur  
Malaysia  
Tel : 03 2070 1855  
Fax : 03 2070 6078

**Haw Par Securities (Private) Limited**

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

# MAJOR PRODUCTS & SERVICES

As at 31 December 2020

## 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 Ultra Thin 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: 1 year  
 with an option to renew: 10 years

## PROPERTIES

### Haw Par Centre

180 Clemenceau Avenue  
 Singapore 239922

- Six-storey commercial building
- Leasehold  
 Remaining Lease: 31 years

### Haw Par Glass Tower

178 Clemenceau Avenue  
 Singapore 239926

- Eight-storey commercial building with basement
- Leasehold  
 Remaining Lease: 49 years

### Haw Par Technocentre

401 Commonwealth Drive  
 Singapore 149598

- Seven-storey industrial building
- Leasehold  
 Remaining Lease: 42 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: 9 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: 38 years

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

# STATISTICS OF SHAREHOLDINGS

As at 2 March 2021

## DISTRIBUTION OF SHAREHOLDINGS

Size Of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	9,345	46.36	282,732	0.13
100 - 1,000	6,128	30.40	2,485,605	1.12
1,001 - 10,000	4,075	20.22	12,346,758	5.58
10,001 - 1,000,000	594	2.95	24,512,260	11.08
1,000,001 AND ABOVE	15	0.07	181,593,818	82.09
<b>Total</b>	<b>20,157</b>	<b>100.00</b>	<b>221,221,173</b>	<b>100.00</b>

## TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1	WEE INVESTMENTS PTE LTD	62,907,926	28.44
2	DBSN SERVICES PTE. LTD.	24,585,527	11.11
3	DBS NOMINEES (PRIVATE) LIMITED	21,201,169	9.58
4	TYE HUA NOMINEES (PTE) LTD	17,435,534	7.88
5	UOB KAY HIAN PRIVATE LIMITED	15,492,401	7.00
6	CITIBANK NOMINEES SINGAPORE PTE LTD	14,789,573	6.69
7	HSBC (SINGAPORE) NOMINEES PTE LTD	5,269,020	2.38
8	RAFFLES NOMINEES (PTE.) LIMITED	5,074,320	2.29
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	1,530,987	0.69
14	WEE CHO YAW	1,092,373	0.49
15	MORGAN STANLEY ASIA (SINGAPORE) SECURITIES PTE LTD	1,026,860	0.46
16	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	893,883	0.40
17	PHILLIP SECURITIES PTE LTD	696,989	0.32
18	SINGAPORE REINSURANCE CORPORATION LTD - SHAREHOLDERS	675,000	0.31
19	THIA CHENG SONG	562,000	0.25
20	HO HAN LEONG CALVIN	550,440	0.25
<b>Total</b>		<b>184,972,130</b>	<b>83.59</b>

### Free Float

Based on the information available to the Company as at 2 March 2021, approximately 38.26% 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.

# STATISTICS OF SHAREHOLDINGS

As at 2 March 2021

## SUBSTANTIAL SHAREHOLDERS AS AT 2 MARCH 2020

	No. of Shares Held			%
	Direct	Deemed	Total	
Wee Cho Yaw	1,092,373	79,605,330	80,697,703	36.48 <sup>(1), (2), (3)</sup>
Wee Ee Cheong	128,857	76,678,311	76,807,168	34.72 <sup>(1), (2), (4)</sup>
Wee Ee Lim	437,192	75,001,217	75,438,409	34.11 <sup>(1)</sup>
Wee Ee-chao	13,826	75,134,135	75,147,961	33.97 <sup>(1), (5)</sup>
Wee Investments Private Limited	62,907,926	–	62,907,926	28.44
Supreme Island Corporation	12,085,601	–	12,085,601	5.46
First Eagle Investment Management, LLC	–	21,652,512	21,652,512	9.79 <sup>(7)</sup>
United Overseas Bank Limited	–	21,708,537	21,708,537	9.81 <sup>(8)</sup>
Kayne Anderson Rudnick Investment Management LLC	–	11,336,519	11,336,519	5.13 <sup>(9)</sup>

(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 an U.S. investment adviser, holding the shares on behalf of its clients. One of its mutual funds, First Eagle Overseas Fund holds 21,652,512 shares amounting to a shareholding of 9.79%.

(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.

(9) Kayne Anderson Rudnick Investment Management, LLC ("KAR"), a U.S. registered investment adviser, is the investment manager of a number of funds and accounts that hold voting shares in the issuer. KAR does not directly hold any voting shares in the issuer.

# 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-Second Annual General Meeting (the "**52<sup>nd</sup> AGM**") of Haw Par Corporation Limited (the "**Company**") will be convened and held by way of electronic means on Friday, 23 April 2021 at 1.00 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 2020 ("**FY2020**") 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 the FY2020.
- Resolution 3** To re-elect Mr Wee Ee Lim, 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 Low Weng Keong, who is retiring by rotation pursuant to Article 100 of the Company's Constitution, and who, being eligible, offers himself for re-election.
- Resolution 5** To approve Directors' fees of \$583,000 for the FY2020 (FY2019: \$547,000).
- 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 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) and any subsequent bonus issue or 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 8 September 2020 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 the FY2020 will be 30 Singapore cents per ordinary share (FY2019: 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 **3 May 2021 at 5.00 p.m.**, and the proposed One-Tier Tax-Exempt Second and Final Dividend will be payable on **19 May 2021**.

*\* 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 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623 up to 5.00 p.m. on 3 May 2021 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 3 May 2021 will be entitled to such proposed dividend.*

**Resolution 3** Mr Wee Ee Lim is an Executive and Non-Independent Director.

**Resolution 4** Mr Low Weng Keong is a Non-Executive and Independent Director. He will upon re-election, continue as a member of the Audit and Risk Committee and is considered as an Independent Director.

Please refer to the 'Board of Directors' section for information on the current directorships in other listed companies, principal commitments; and Additional Information section on Directors' Seeking Re-election, of this Company's Annual Report 2020. The Company's Annual Report 2020 is available at [www.hawpar.com/AR2020](http://www.hawpar.com/AR2020) or through scanning the QR Code at the end of this Notice of 52<sup>nd</sup> AGM.

Dr Chew Kia Ngee and Mr Peter Sim Swee Yam, who retire in accordance with Article 94 of the Constitution, are not seeking for re-election and will retire with effect at the conclusion of the 52<sup>nd</sup> AGM.

**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.

**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 52<sup>nd</sup> 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.



# NOTICE OF ANNUAL GENERAL MEETING

## IMPORTANT NOTES FOR MEMBERS

In view of the elevated safe distancing measures imposed by the Singapore Government due to the COVID-19 outbreak, the Company will be conducting the 52<sup>nd</sup> AGM wholly by electronic means in accordance with 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 and Singapore Exchange Regulation issued on 13 April 2020 (and updated on 1 October 2020) titled "Additional Guidance on the Conduct of General Meetings During Elevated Safe Distancing Period".

Shareholders should take note of the following arrangements for the 52<sup>nd</sup> AGM:

- (1) **Attendance in Person:** The 52<sup>nd</sup> AGM will be conducted only by electronic means and Shareholders will not be able to physically attend the 52<sup>nd</sup> AGM. The proceedings of the 52<sup>nd</sup> AGM will be broadcast through a "live" webcast (the "Webcast") comprising both video (audio-visual) and audio-only feeds. Please pre-register for the Webcast if you wish to attend the 52<sup>nd</sup> AGM.
- (2) **Live Audio and Video Webcast:** All Shareholders as well as persons who hold shares through a relevant intermediary (as defined in Section 181 of the Companies Act (Chapter 50)) ("**Relevant Intermediary Shareholders**") including persons who hold shares through Central Provident Fund ("CPF") and Supplementary Retirement Scheme ("**SRS**") ("**CPF/SRS investors**"), and who wish to follow the proceedings of the 52<sup>nd</sup> AGM through the Webcast, must **pre-register online at <https://online.meetings.vision/hawpar-agm-registration> by 20 April 2021, 1.00 p.m.** for verification purposes. Following successful verification, details on how to join the Webcast will be sent to you before the 52<sup>nd</sup> AGM. Please use the provided access and/or identification credentials to access the Webcast.  
  
The video feed may be accessed online at <https://online.meetings.vision/hawpar-agm-registration>. Authenticated Shareholders will receive an email containing the toll free number to call and the conference code to access the audio-only stream of the AGM proceedings. Please contact the Company at [agm@hawpar.com](mailto:agm@hawpar.com) if you have queries on the Webcast.
- (3) **Submission of Questions:** All Shareholders, and Relevant Intermediary Shareholders (including CPF/SRS investors) will not be able to ask questions "live" via the Webcast. All Shareholders and Relevant Intermediary Shareholders (including CPF/SRS investors) can submit questions relating to the business of the 52<sup>nd</sup> AGM **up till 16 April 2021, 1.00 p.m.** (being 7 days before the time appointed for the holding of the 52<sup>nd</sup> AGM) via electronic mail to [agm@hawpar.com](mailto:agm@hawpar.com) or by post addressed to 401, Commonwealth Drive #03-03 Haw Par Technocentre Singapore 149598 (Attn: Company Secretary). Questions must reach the e-mail address or address specified in the foregoing not less than 7 days before the time appointed for the holding of the 52<sup>nd</sup> AGM. In view of the current COVID-19 situation, Shareholders are strongly encouraged to submit questions electronically by e-mail. The Company will endeavour to respond to substantial and relevant questions either prior to the 52<sup>nd</sup> AGM via an announcement on SGXNET at [www.sgx.com](http://www.sgx.com) and the Company's website at [www.hawpar.com/agm2021](http://www.hawpar.com/agm2021) or at the 52<sup>nd</sup> AGM.
- (4) **Voting Solely via Appointing Chairman as Proxy (Submit a Proxy Form):** Shareholders will only be able to vote at the 52<sup>nd</sup> AGM by appointing the Chairman as proxy to vote on their behalf. Duly completed Proxy Forms must be deposited with the Company (i) via post to The Company Secretary, HAW PAR CORPORATION LIMITED, c/o Trusted Services Pte. Ltd., 456 Alexandra Road #14-02, Fragrance Empire Building, Singapore 119962 by **20 April 2021** or (ii) via electronic mail to [proxyform@trustedservices.com.sg](mailto:proxyform@trustedservices.com.sg), and must be received by the Company by **20 April 2021, 1.00 p.m.** (being 72 hours before the time appointed for the holding of the 52<sup>nd</sup> AGM). Proxy Forms can be downloaded from SGXNET at [www.sgx.com](http://www.sgx.com) and the Company's website at [www.hawpar.com/agm2021](http://www.hawpar.com/agm2021). In the Proxy Form, a Shareholder should specifically direct the proxy on how he/she is to vote for or vote against (or abstain from voting on) the resolutions to be tabled at the 52<sup>nd</sup> AGM. In the absence of specific directions in respect of a resolution, the appointment of Chairman of the Meeting as your proxy for that resolution will be treated as invalid. In view of the current COVID-19 situation, Shareholders are strongly encouraged to submit completed Proxy Forms electronically by e-mail.

# NOTICE OF ANNUAL GENERAL MEETING

- (5) **Voting by Relevant Intermediary Shareholders (including CPF/SRS investors):** Relevant Intermediary Shareholders who wish to vote should **not** make use of the Proxy Form and should instead approach their respective relevant intermediary as soon as possible to specify voting instructions. CPF/SRS investors who wish to vote should approach their respective CPF Agent Bank/SRS Operator as soon as possible and at least **seven working days** before the AGM (i.e. by **13 April 2021**), to ensure that their votes are submitted.

## PERSONAL DATA PRIVACY:

Where a member of the Company submits (a) an application to pre-register to participate in the 52<sup>nd</sup> AGM via the Webcast, (b) questions relating to the resolutions to be tabled for approval at the 52<sup>nd</sup> AGM, and/or (c) a Proxy Form to vote at the 52<sup>nd</sup> AGM and/or any adjournment thereof, the member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers including any organisations the Company has engaged to perform any function related to the 52<sup>nd</sup> AGM) for the purposes of (i) verifying the member's information as a Shareholder and processing the member's application to pre-register to participate in the 52<sup>nd</sup> AGM via the Webcast and providing the member with any technical assistance where possible, (ii) addressing any selected questions submitted by the member and following up with the member where necessary, and responding to, handling, and processing queries and requests from the member, (iii) the processing, administration and analysis by the Company (or its agents or service providers including any organisations the Company has engaged to perform any function related to the 52<sup>nd</sup> AGM) of the proxy appointed for the 52<sup>nd</sup> AGM (including any adjournment thereof), (iv) the preparation, compilation and disclosure (as applicable) of the attendance lists, questions from members and the Company's responses, minutes of meeting and other documents relating to the 52<sup>nd</sup> AGM (including any adjournment thereof), and (v) the transmission and recording of the AGM proceedings through the Webcast, and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines.

As the COVID-19 situation is still evolving, the Company will closely monitor the situation and reserves the right to take further measures or implement other arrangements for the 52<sup>nd</sup> AGM as appropriate based on the evolving COVID-19 situation or pursuant to any applicable laws, regulations, directives or guidelines from government agencies or regulatory authorities, including any relevant order published, amended, modified or supplemented after the date of this Notice of Annual General Meeting in relation to the COVID-19 (Temporary Measures) Act 2020 (Act 14 of 2020). In the event that such measures or arrangements are adopted, the Company will make announcements on SGXNET at [www.sgx.com](http://www.sgx.com) and the Company's website at [www.hawpar.com/agm2021](http://www.hawpar.com/agm2021) as appropriate. Shareholders are advised to check SGXNET and the Company's website regularly for further updates.

By Order of the Board

**Lee Kay Swee**  
Company Secretary

**Singapore**  
1 April 2021



## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Each of Mr Wee Ee Lim and Mr Low Weng Keong has confirmed that 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:

- (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?

# PROXY FORM



## HAW PAR CORPORATION LIMITED

(Incorporated in the Republic of Singapore)

Company Registration Number: 196900437M

### IMPORTANT:

1. For investors holding shares of Haw Par Corporation Limited through relevant intermediaries (as defined in Section 181 of the Companies Act, Cap. 50), including CPF/SRS investors, this instrument appointing a proxy is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. Such investors should approach their relevant intermediary as soon as possible to specify voting instructions. CPF/SRS investors should approach their respective CPF Agent Banks or SRS Operators at least **seven working days** before the Annual General Meeting (i.e. by 13 April 2021) to ensure their votes are submitted.
2. The Annual General Meeting will be held by way of electronic means.
3. **Please read the notes overleaf.**
4. Personal data privacy. By submitting an instrument appointing a proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 1 April 2021.

## FIFTY-SECOND ANNUAL GENERAL MEETING

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

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

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 the Chairman of the AGM (as defined below) as **\*my/our** proxy to attend, speak and vote for **\*me/us** on **my/our** behalf at the 52<sup>nd</sup> Annual General Meeting ("**AGM**") of the Company to be convened and held by way of electronic means on Friday, 23 April 2021 at 1.00 p.m. and at any adjournment thereof. **\*I/We** direct the Chairman of the AGM 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. In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the AGM as your proxy for that resolution will be treated as invalid.

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

<sup>#</sup> In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the AGM as your proxy for that resolution will be treated as invalid.

\* Delete as appropriate

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2021

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

**Notes to the Proxy Form:**

1. Members of the Company who wish to vote at the AGM must appoint the Chairman of the AGM to act as his/her proxy to attend, to speak and to vote on behalf of him/her at the AGM in respect of all the shares of the Company ("shares") held by him/her. In this instrument appointing a proxy, members of the Company should specifically direct the proxy on how he/she is to vote for or vote against (or abstain from voting on) the resolutions. In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the AGM as your proxy for that resolution will be treated as invalid. All valid votes cast via proxy on each resolution will be counted.
2. A member of the Company should insert the total number of shares held. If the member only has shares entered against his/her name in the Depository Register (maintained by The Central Depository (Pte) Limited), he/she should insert that number of shares. If the member only has shares registered in his/her name in the Register of Members (maintained by or on behalf of the Company), he/she should insert that number of shares. If the member has shares entered against his/her name in the Depository Register and shares registered in his/her name in the Register of Members, he/she should insert the aggregate number of shares. If no number is inserted, this instrument appointing a proxy shall be deemed to relate to all the shares held by the member in both the Depository Register and the Register of Members.
3. This instrument appointing a proxy is not valid for use by investors who hold shares through relevant intermediaries (as defined in Section 181 of the Companies Act, Cap. 50), including CPF/SRS investors, and shall be ineffective for all intents and purposes if used or purported to be used by them. Such investors (including CPF/SRS investors), if they wish to vote, should approach the respective relevant intermediary as soon as possible to specify voting instructions. CPF/SRS investors should approach their respective CPF Agent Banks or SRS Operators as soon as possible and at least seven working days before the AGM (i.e. by **13 April 2021**), to ensure their votes are submitted.
4. This instrument appointing a proxy must be deposited with the Company (i) via post to The Company Secretary, HAW PAR CORPORATION LIMITED, c/o Trusted Services Pte. Ltd., 456 Alexandra Road #14-02, Fragrance Empire Building, Singapore 119962, or (ii) via e-mail by sending a clear, scanned, completed and signed copy to proxyform@trustedservices.com.sg, and must be received by the Company by **20 April 2021, 1.00 p.m.** (being 72 hours before the time appointed for the holding of the AGM). In view of the current COVID-19 situation, members are strongly encouraged to submit completed instruments appointing a proxy electronically via e-mail.
5. This instrument appointing a proxy 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 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, failing which the instrument may be treated as invalid.
6. A corporation which is a member may appoint, by resolution of its directors or other governing body, the Chairman of the AGM to act as its representative at the AGM, in accordance with Section 179 of the Companies Act, Cap. 50.
7. Any alteration made in this instrument appointing a proxy must be initialled by the person who signs it.
8. The Company shall be entitled to reject an instrument appointing the Chairman of the AGM as proxy which 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 name in the Depository Register, the Company shall be entitled to reject any instrument appointing the Chairman of the AGM as proxy lodged if such member, being the appointor, is not shown to have shares entered against his/her 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.

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# PROXY FORM

PLEASE  
AFFIX  
POSTAGE  
STAMP

THE COMPANY SECRETARY  
**HAW PAR CORPORATION LIMITED**  
C/O  
**TRUSTED SERVICES PTE. LTD.**  
456 ALEXANDRA ROAD  
#14-02 FRAGRANCE EMPIRE BUILDING  
SINGAPORE 119962

3rd fold  
Fold and glue overleaf. Do not staple



**HAW PAR CORPORATION LIMITED**  
(Incorporated in the Republic of Singapore)  
Company Registration Number:  
196900437M

401 Commonwealth Drive  
#03-03 Haw Par Technocentre  
Singapore 149598  
Tel: 6337 9102 Fax: 6336 9232  
[www.hawpar.com](http://www.hawpar.com)