



虎豹 Haw par

HAW PAR CORPORATION LIMITED
ANNUAL REPORT 2021

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CORPORATE PROFILE

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

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

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

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

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

CHAIRMAN'S STATEMENT



Tiger Balm will focus on staying relevant to meet evolving consumer lifestyle needs and connecting with our consumers by deepening our understanding of key consumer groups and markets.

2021 remained a challenging year with the Group's operating businesses having to adapt quickly to new government restrictions and guidelines with the emergence of more virulent Covid-19 variants. Earnings decreased by 8% to \$110 million due to lower dividend income from strategic investments while profit from Healthcare recovered by 32% to \$21 million. Profit from Property remained stable in 2021 but Leisure incurred an operating loss due to forced temporary closures.

Group revenue increased by 27% from \$111 million to \$141 million due mainly to Healthcare as consumer spending improved in certain markets as government imposed movement restrictions eased.

HIGHLIGHTS OF OPERATIONS

Overall demand for Tiger Balm products remained below pre-pandemic level albeit sales performance recovered slightly in second half of 2021 due to a rebound in sales to some Asian countries, as well as higher demand in some western markets with less

TURNOVER

\$141
Million

movement restrictions. We were cognisant of the current retail climate and were highly selective in our product launches during the year, which were strategically timed and leveraged on digital media.

The global supply chain continued to experience logistics disruptions, impacting businesses. Rising raw material costs, labour expenses and other overheads contributed to a general inflationary environment. We will continue to monitor and find ways to mitigate these risks.

Following the completion of the acquisition of a plot of freehold land in Johor, Malaysia in 2020, construction of our new healthcare manufacturing facility began in the second half of 2021. Commencement of production is contingent upon obtaining regulatory approvals and certifications. We expect this facility to contribute towards enhancing production continuity and resilience.

During the year, Underwater World Pattaya went through two government mandated closures as the Thai government tightened pandemic measures to contain local Covid-19 transmission. We made use of the closure periods to boost the attraction's offerings in preparation for the post-pandemic tourists. Improvement works were carried out to the facility and a new aqua plant zone was created to enhance visitor experience.

PROFIT AFTER TAX

\$110
Million

The Group's property segment reported stable revenue and profits as occupancy for Haw Par Centre improved, while Haw Par Technocentre maintained almost full occupancy. However, occupancy in the commercial property in Malaysia slipped further in 2021 as a result of the ongoing oversupply of new properties in the vicinity.

DIVIDEND

The Board is recommending a final dividend of 15 cents per share. Together with the interim dividend of 15 cents paid in September, the total dividend per share for the financial year ended 31 December 2021 is 30 cents per share, maintaining the same total dividend per share as 2020 and pre-pandemic.

BUSINESS OUTLOOK AND STRATEGY

Recovery of the global economy remains uncertain and uneven on the back of resurging Covid-19 infections worldwide due to new variants, as well as evolving geopolitical climate and directional shifts in monetary policies.

Healthcare remains the Group's key area of focus. The global health crisis has accelerated some of the long-term trends we have been working on, such as the demand for self-care and e-commerce. In line with our business priorities, we will continue to strengthen our core brand Tiger Balm by building a greater presence online and widen our appeal across demographics through expanding the range of our products available in various markets. However, we are watchful that increasingly stringent regulatory requirements may hamper timely introductions of new products into certain markets and we will need to plan further ahead to mitigate the headwinds. Tiger Balm will focus on staying relevant to meet evolving consumer

lifestyle needs and connecting with our consumers by deepening our understanding of key consumer groups and markets.

As Thailand shifts its focus towards economic recovery and eases travel restrictions in an effort to revive its tourism industry, we are cautiously hopeful that Underwater World Pattaya will see improvement in its visitorship.

Office space demand will remain subdued. We will heighten our efforts to improve the occupancy of our office buildings, in particular in the Malaysia market.

As Covid-19 reshapes the economy, new possibilities are being unlocked. We remain motivated to proactively seek new business and investment opportunities.

To continue to thrive, we must preserve the trust of our consumers and stakeholders that has been built and fortified over the decades. It has been our enduring commitment to conduct our business with integrity, honesty, and fairness, with considerations for environmental responsibility. Our Board sets the tone from the top and considered Environmental, Social and Governance (ESG) issues as part of its overall strategy formulation. The review process is dynamic and takes into account feedback from our key stakeholders to inform the content of our Sustainability Report, which we have been publishing and updating since 2017.

ACKNOWLEDGEMENT

Keeping the long-term interest of the company in mind, the Board has made good progress on implementing its renewal plan. New directors have contributed to the Board's collective skills, knowledge, and experience, while long-serving directors provided

stability and guidance during the transition. As part of the ongoing Board renewal process, I would like to welcome Mr Ong Sim Ho, our new Independent Director, who joined the Board on 10 November 2021.

At the same time, we would like to express our deepest appreciation for the long-standing contributions of Mr Sat Pal Khattar, Mr Hwang Soo Jin and Dr Lee Suan Yew, who have stepped down from the Board at the end of 2021.

I wish to thank my fellow board members for their valuable guidance and insights in the past year as we navigated a tough economic environment.

On behalf of the Board, I would also like to extend my gratitude to our valued customers, business associates and shareholders for their continuing support during this difficult period.

In conclusion, I would like to commend our staff and management for rising to the challenge. In the face of an evolving situation, the team was able to adapt to work-from-home arrangements and other Covid-related curtailment, while swiftly overcoming disruptions from various fronts to ensure business continuity. Their agility and dedication have allowed us to achieve growth in revenue under very demanding circumstances.

Working together with our global alliance of partners, I believe we will recover from this pandemic stronger and more resilient.

WEE CHO YAW
Chairman
February 2022

主席致辞



虎标将专注于贴近消费者生活，并通过加深我们对主要消费群体和市场的了解来与消费者建立联系，以顺应和满足不断变化的消费需求。

2021年仍然是充满挑战的一年，随着更具传染性的新冠病毒变种病毒的出现，集团的经营业务必须迅速适应新的政府限制和指导方针。由于策略投资的股息收入减少，集团税后盈利下降8%至1亿1000万元，但保健业务的利润则恢复了32%至2100万元。物业业务的利润在2021年保持稳定，但休闲业务因被迫暂时关闭而蒙受了经营亏损。

集团营业额由1亿1100万元增长27%至1亿4100万元，主要归功于保健业务，因为随着政府放宽行动限制，某些市场的消费者支出有所改善。

营运重点摘要

尽管虎标产品在一些亚洲市场销售反弹以及某些实施较少行动限制的西方市场需求有所增长，促使保健产品销售业绩在2021年下

半年略有回升，但虎标产品的整体需求仍低于疫情前的水平。我们洞悉当前的零售环境，年内我们策略性地对产品发布时机进行了筛选，并充分应用数字媒体平台推出新产品。

全球供应链持续受扰，对企业造成了影响。原材料成本、人工费用和其他间接费用持续攀升，导致总体环境处于通胀状态。我们将继续监测和探讨减轻这些风险的方法。

继2020年完成一项位于马来西亚柔佛州永久业权土地的收购后，我们已于2021年下半年开始建设新的保健产品制造设施。投产前必须取得有关监管机构的批准和认证。我们预计该设施将有助于提高生产的连续性和弹性。

年内，由于泰国政府收紧防疫措施以遏制当地的新冠病毒传播，芭堤雅海底世界曾两度暂时关闭。我们利用关闭期间来提升景点的吸引力，为游客疫情后到访做好准备。我们对该设施进行了改进工程，并设立了一个新的水生植物区来增强游客体验。

随着虎豹中心租用率的提高，集团的物业租金收入和利润维持稳

定，而虎豹科技中心则保持接近满租。然而，2021年马来西亚商业物业的租用率进一步下滑，主要是因为附近新物业持续供过于求。

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2021年12月31日财年的每股总计股息为30分，维持与2020年及疫情前相同的每股总计股息。

业务展望及策略

由于新变种新冠病毒导致全球感染人数重新上升，加上地缘政治气候不断变化和货币政策的方向发生转变，全球经济复苏前景仍不确定，且复苏状况并不均衡。

保健仍然是集团的重点关注领域。全球健康危机加速了我们一直在探讨的一些长期趋势，如自我保健和电子商务的需求等。根据我们的业务重点，我们将继续通过打造线上影响力来加强我们的核心品牌虎标，并通过扩大我们在各市场销售的产品种类来提升我们的品牌对各年龄层的吸引力。然而，我们注意到监管要求日趋严格可能会阻碍新产品及时引入某些市场，因此我们需要通过提前计划来减少不利因素。虎标将专注于贴近消费者生活，并通过加深我们对主要消费群体和市场的了解来与消费者建立联系，以顺应和满足不断变化的消费需求。

随着泰国将重心转向经济复苏及放宽旅行限制以重振旅游业，我们谨慎地希望芭堤雅海底世界的游客人数将会有所改善。

办公空间需求将持续低迷。我们将加大力度提高办公楼的租用率，尤其是在马来西亚市场。

随着新冠疫情重塑经济，并释放新机遇，我们仍然积极寻求新的业务和投资机会。

集团保持蓬勃发展的关键在于我们必须维护数十年来与消费者和利益相关者所建立起来和不断巩固的相互信任。我们一直致力于以诚信、诚实和公平的准则经营业务，并兼顾环保。董事局从高层定下基调，并将环境、社会和治理(简称ESG)议题作为其整体策略制定的一部分。检讨过程中我们纳入对主要利益相关者反馈的考量，并且自2017年以来，定期发布和更新可持续发展报告。

致谢

董事局着眼于公司的长远利益，在执行更新计划方面取得了良好进展。新董事为董事局的集体技能、知识和经验做出了贡献，而长期任职的董事则在过渡期间提供了稳定性和指导。在持续进行的董事局更新过程中，我谨此欢迎新任独立董事王森豪先生于2021年11月10日加入董事局。

同时，我们对已于2021年底辞任董事的沙巴卡达先生、黄树人先生和李祥耀医生为集团所做出的长期贡献致以最诚挚的谢意。

谨此感谢董事同仁在过去一年艰难的经济环境下提供宝贵的咨询和引导。

我谨代表董事局向客户、业务伙伴和股东表达谢意，感谢他们在这一困难时期的持续支持。

最后，我特此表扬员工和管理层勇于迎接挑战。面对不断变化的形势，我们的团队能够顺应居家办公的安排和其他针对新冠疫情的限制措施，同时迅速克服来自各方面的困难，确保业务连续性。他们的敏锐应变和奉献精神使我们得以在非常严苛的情况下实现收入增长。

我相信，通过与全球合作伙伴携手共进，我们将从疫情逆境中稳定恢复并发展得更强大和更有韧性。

黄祖耀

主席

2022年2月

营业额

1亿4100
万元

除税后盈利

1亿1000
万元

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, 93, 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 2021):

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

OTHER MAJOR APPOINTMENTS/PRINCIPAL COMMITMENTS:

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

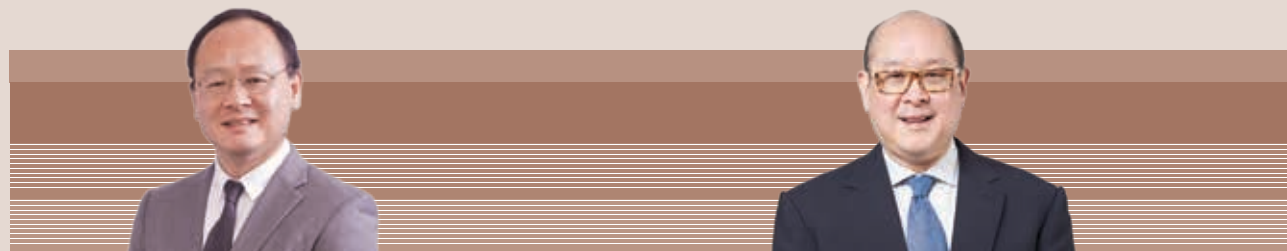
PAST DIRECTORSHIPS IN LISTED COMPANIES AND PRINCIPAL COMMITMENTS HELD OVER THE PRECEDING FIVE YEARS (1 JANUARY 2017 TO 31 DECEMBER 2021):

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

PROFESSIONAL QUALIFICATIONS & ACHIEVEMENTS:

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

BOARD OF DIRECTORS



WEE EE-CHAO

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

Mr Wee Ee-chao, 67, 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 2021):

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

OTHER MAJOR APPOINTMENTS/PRINCIPAL COMMITMENTS:

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

PAST DIRECTORSHIPS IN LISTED COMPANIES AND PRINCIPAL COMMITMENTS HELD OVER THE PRECEDING FIVE YEARS

(1 JANUARY 2017 TO 31 DECEMBER 2021):

Nil

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: 23 APRIL 2021

Mr Wee Ee Lim, 60, is the President & Chief Executive Officer of Haw Par Corporation Limited.

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

BOARD COMMITTEE(S) SERVED ON:
· Investment Committee (Member)

PRESENT DIRECTORSHIPS IN OTHER LISTED COMPANIES

(AS AT 31 DECEMBER 2021):

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

OTHER MAJOR APPOINTMENTS/PRINCIPAL COMMITMENTS:

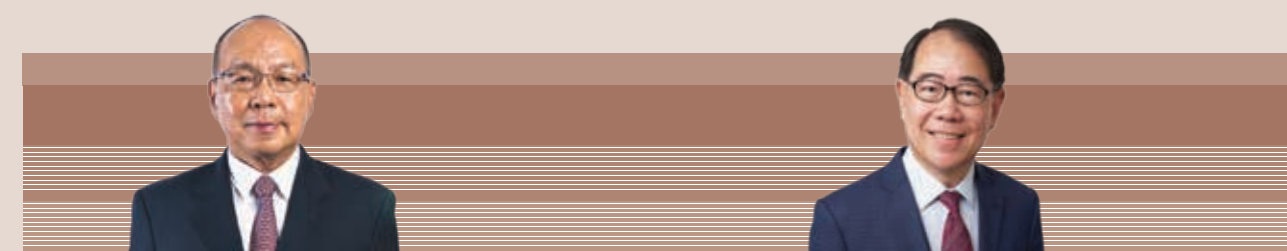
- Wee Foundation (Director)

PAST DIRECTORSHIPS IN LISTED COMPANIES AND PRINCIPAL COMMITMENTS HELD OVER THE PRECEDING FIVE YEARS (1 JANUARY 2017 TO 31 DECEMBER 2021):

Nil

PROFESSIONAL QUALIFICATIONS:

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



GN HIANG MENG

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

Mr Gn Hiang Meng, 73, is a Non-Executive and Independent Director of the Company. Mr Gn has more than 30 years of investment banking and hospitality industry experience. He was a senior banker with the United Overseas Bank Group for 28 years and was the Deputy President of UOL Group prior to his retirement in 2007.

BOARD COMMITTEE(S) SERVED ON:

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

PRESENT DIRECTORSHIPS IN OTHER LISTED COMPANIES

(AS AT 31 DECEMBER 2021):

- Centurion Corporation 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 2017 TO 31 DECEMBER 2021):

- Koh Brothers Group Limited (Non-Executive and Independent Director)
- TEE International Limited (Non-Executive and Independent Director)

PROFESSIONAL QUALIFICATIONS:

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

CHEW CHOON SOO

NON-EXECUTIVE AND INDEPENDENT DIRECTOR
FIRST APPOINTED AS A DIRECTOR: 28 FEBRUARY 2019
LAST RE-ELECTED AS A DIRECTOR: 18 APRIL 2019

Mr Chew Choon Soo, 64, is a Non-Executive and Independent Director of the Company. He has more than 23 years of senior executive search experience and has served in various senior management and committee roles. He is currently engaged in human capital advisory, focusing mainly on the healthcare industry in China.

BOARD COMMITTEE(S) SERVED ON:

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

PRESENT DIRECTORSHIPS IN OTHER LISTED COMPANIES

(AS AT 31 DECEMBER 2021):

Nil

OTHER MAJOR APPOINTMENTS/PRINCIPAL COMMITMENTS:

Nil

PAST DIRECTORSHIPS IN LISTED COMPANIES AND PRINCIPAL COMMITMENTS HELD OVER THE PRECEDING FIVE YEARS

(1 JANUARY 2017 TO 31 DECEMBER 2021):

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.

BOARD OF DIRECTORS



LOW WENG KEONG

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

Mr Low Weng Keong, 69, is a Non-Executive and Independent Director of the Company. He was formerly the country managing partner of Ernst & Young, Singapore, and a past global chairman and president of CPA Australia.

BOARD COMMITTEE(S) SERVED ON:

- Audit and Risk Committee (Chairman)

PRESENT DIRECTORSHIPS IN OTHER LISTED COMPANIES

(AS AT 31 DECEMBER 2021):

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

OTHER MAJOR APPOINTMENTS/PRINCIPAL COMMITMENTS:

Nil

PAST DIRECTORSHIPS IN LISTED COMPANIES AND PRINCIPAL COMMITMENTS HELD OVER THE PRECEDING FIVE YEARS

(1 JANUARY 2017 TO 31 DECEMBER 2021):

Nil

PROFESSIONAL QUALIFICATIONS:

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

ONG SIM HO

NON-EXECUTIVE AND INDEPENDENT DIRECTOR
FIRST APPOINTED AS A DIRECTOR: 10 NOVEMBER 2021
LAST RE-ELECTED AS A DIRECTOR: N.A.

Mr Ong Sim Ho, 53, is a Non-Executive and Independent Director of the Company. He is presently the Managing Director and Head of Corporate and Finance Department of Drew & Napier LLC.

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

BOARD COMMITTEE(S) SERVED ON:

Nil

PRESENT DIRECTORSHIPS IN OTHER LISTED COMPANIES

(AS AT 31 DECEMBER 2021):

- Bukit Sembawang Estates Limited (Independent Director, Chairman of ARC)

OTHER MAJOR APPOINTMENTS/PRINCIPAL COMMITMENTS:

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

PAST DIRECTORSHIPS IN LISTED COMPANIES AND PRINCIPAL COMMITMENTS HELD OVER THE PRECEDING FIVE YEARS

(1 JANUARY 2017 TO 31 DECEMBER 2021):

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

PROFESSIONAL QUALIFICATIONS:

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

CORPORATE INFORMATION

DIRECTORS

Wee Cho Yaw
Chairman (Non-Executive)

Wee Ee-chao
Deputy Chairman (Non-Executive)

Wee Ee Lim
President & Chief Executive Officer

Gn Hiang Meng
Independent Director

Chew Choon Soo
Independent Director

Low Weng Keong
Independent Director

Ong Sim Ho
Independent Director

AUDIT AND RISK COMMITTEE

Low Weng Keong
Chairman
Gn Hiang Meng
Chew Choon Soo

INVESTMENT COMMITTEE

Wee Cho Yaw
Chairman
Wee Ee Lim
Paul Chow
Brian Loo

NOMINATING COMMITTEE

Gn Hiang Meng
Chairman
Wee Cho Yaw
Chew Choon Soo

REMUNERATION COMMITTEE

Gn Hiang Meng
Chairman
Wee Cho Yaw
Chew Choon Soo

COMPANY SECRETARY

Lee Kay Swee

AUDITORS

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

REGISTRAR

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

REGISTERED OFFICE

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

INVESTOR RELATIONS

Email: InvestorRelations@hawpar.com

KEY & SENIOR EXECUTIVES

PAUL CHOW

Chief Financial Officer

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

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

BRIAN LOO

Group General Manager

Joined the Group in 2021 as Group General Manager.

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

LILY SU

Group Internal Audit Manager

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

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

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. An Advocate and Solicitor of the Supreme Court of Singapore. A Member of the Singapore Academy of Law.

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



\$141.2
MILLION

Profit After Tax



\$110.1
MILLION

Profit From Operations And Investments



\$116.2
MILLION

Shareholders' Funds



\$3.2
BILLION

Return On Equity



3.4%

Total Assets



\$3.3
BILLION

GROUP FINANCIAL HIGHLIGHTS

FINANCIAL HIGHLIGHTS

Many countries gradually eased restrictions in second half of 2021 as the population's vaccination rates increased. In contrast with second half of 2020, most countries were tightening restrictions to control the spread of COVID-19. Consumer spending also picked up in the six months ended 31 December 2021.

Group revenue for the year increased 27% to \$141.2 million due mainly to recovery of Healthcare's business. Gross profit for the year improved from 44% to 52% as production volume improved. Revenue from Healthcare increased by 34% to \$124.4 million as consumer demand for its products improved. With higher vaccination rates, governments of certain key markets eased their restriction measures, which helped boost consumer spending. Stronger revenue, coupled with prudent cost management, has led to a 32% increase in Healthcare's net operating profit.

Revenue from other segments which comprise of Leisure and Property divisions decreased by 7% due mainly to Underwater World Pattaya ("UWP"). The surge in COVID-19 cases during the year has resulted in tightening of movement restrictions locally and adversely affected UWP's operations. Property division remained stable, with both revenue and operating profit on par with previous year. Net operating profit from these segments dropped 3% due mainly to higher operating loss at UWP.

Group's earnings decreased from \$119.8 million to \$110.1 million due mainly to lower dividend income from strategic investments, partially offset by higher profit from Healthcare.

FINANCIAL POSITION

Shareholders' funds increased to \$3.2 billion (2020: \$2.9 billion) as market valuations of the Group's strategic investments recovered and the Group recorded earnings of \$110.1 million.

The Group ended the financial year with cash balance of \$596.2 million (2020: \$554.4 million) due mainly to cash dividends received from strategic investments and cash generated from operations, partially offset by dividends paid to shareholders and purchase of property, plant and equipment.

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 2021, the total dividend per share for the financial year ended 31 December 2021 is 30 cents per share, maintaining the same total dividend per share as 2020.

FINANCIAL CALENDAR

13
AUGUST
2021

Announcement of 2021 half-yearly results

13
SEPTEMBER
2021

Payment of 2021 First & Interim dividend

25
FEBRUARY
2022

Announcement of 2021 full-year audited results

6
APRIL
2022

Announcement of Notice of Annual General Meeting

27
APRIL
2022

53rd Annual General Meeting

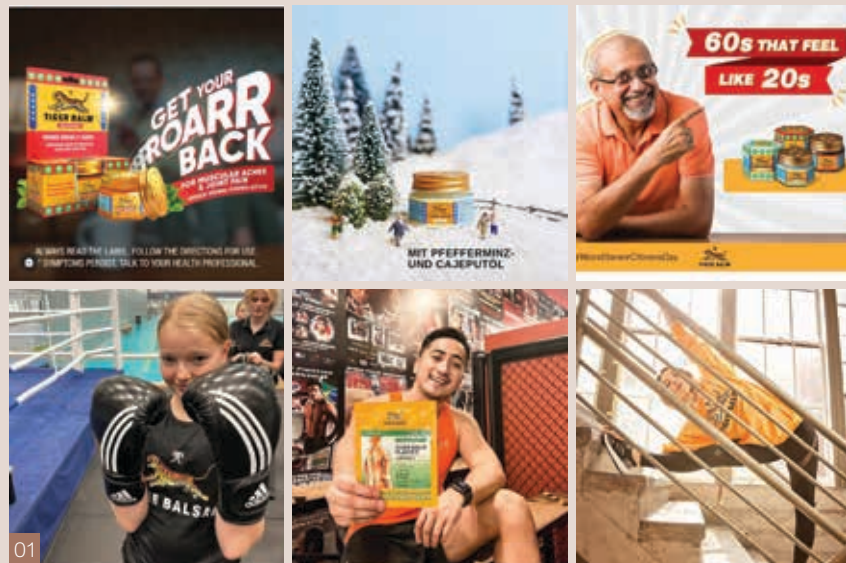
10
MAY
2022

Record date for proposed dividend entitlement

26
MAY
2022

Payment of proposed 2021 Second & Final dividend

HEALTHCARE OPERATIONS REVIEW



01 A snapshot of social media posts around the world: (clockwise) "Get Your Roar Back" social media campaign (Australia); Tiger Balm White for the winter season (Germany); Celebrating #WorldSeniorCitizensDay (India); Team Tiger Balm Ambassador Gymnast Kristin Allen (US); Influencer outreach #staycoolandlovetigerbalm (the Philippines); Team Tigerbalsam All Stars Training Camp – New Ambassador Dancer Tyra Rowa (Sweden).

Photos: (5th) @clarity_ry & (6th) @hansjesperjohansson

02 US "Roar Back" campaign featuring Team Tiger Balm Ambassador – Pro Basketball Player Jeremy Lin.



DELIVERING HEALTH AND WELLBEING TO OUR COMMUNITIES WHENEVER AND WHEREVER

In a year still dominated by Covid-19 and stronger waves of infections, the ensuing travel restrictions and lockdowns continued to impact many countries including those in Southeast Asia region hit by more pronounced outbreaks compared to the year before, and adversely affected the sales of our products in 2021.

Despite the challenging conditions, we saw sales in some markets pick up in second half of the year, given rising vaccination rates and easing of pandemic-related restrictions. Sales in markets with substantial domestic consumer base and less stringent movement control measures continued to hold up well. We ended the year with a double-digit overall year-on-year growth, although our revenue has yet to return to the pre-pandemic level.

As with many businesses, our operations faced inflationary pressure and supply chain issues, and the ongoing logistics crunch led to some shipment delays. Working closely with our network of suppliers and distributors to manage costs and swiftly optimise buffer inventory to cater to market demand, we were able to alleviate the logistics impact and minimise disruption to our product supply.

On the e-commerce front, we picked up speed with more products carried on local retailers' online shopping sites and e-commerce platforms in our various markets, providing greater convenience and choice to our consumers. We also expanded product range and availability through China Cross-Border E-commerce platform to cater to mainland Chinese consumers

seeking to purchase a wider assortment of Tiger Balm products beyond what are available in China.

Despite the difficulties encountered amid the pandemic, Tiger Balm Plaster was successfully launched in the Philippines and Vietnam, widening the range of products available to our consumers in these two markets. In Vietnam, a coordinated campaign for Tiger Balm Plaster-RD in collaboration with Pharmacy - a leading pharmacy retail chain, was carried out online and offline, kicking off to a good start. In the Philippines, we tapped on the reach of influencers from celebrity brand ambassadors to micro-influencers to introduce Tiger Balm Cool Plaster via multiple channels including shopping videos on TikTok. Both products received good reception from our target audience.

We continued to build on Tiger Balm's digital presence across diverse social media platforms through inspiring campaigns that identified with our consumers. In India, our Tiger Balm x SHERNI Movie collaboration with Amazon Prime generated good results for our #ToughAsATiger campaign.

With sporting events gradually restarting, Tiger Balm actively sponsored mass participation endurance races, including the Schneider Electric Marathon de Paris in France and ÖTILLÖ – the Swimrun World Championship in Sweden. In-store videos about uses of Tiger Balm broadcast at sports stores such as Chullanka in France helped us connect with our users as physical retail reopened.

As a brand that prides itself on delivering health and wellbeing, we support our consumers and our communities whenever and wherever, offering them care and comfort in this time of crisis. Team

Tiger Balm continues to grow as more athletes – from MMA in Sweden to football clubs in France joined the ranks in 2021 to lift the spirit of our fans in the digital and physical worlds.

CHALLENGES & OPPORTUNITIES

As the pandemic continues to present an uncertain economic outlook, our business faces unpredictable challenges, which include the global supply chain crisis, rising costs and inflationary pressure on consumer spending globally. We will continue to work on building relationships to strengthen values that resonate with consumers now and in the long term. With the regulatory environment tightening, we expect to face stricter regulatory controls on the topical analgesic industry, stretching the time needed to introduce new products in some of our markets. While we have been publishing a Sustainability Report since 2017, the increasing regulatory requirements and consumer expectations around Environmental, Social and Governance issues will require us to dedicate even more resources to this area.

Notwithstanding the current challenges that we face, various factors such as ageing populations and digital lifestyles, as well as the focus on wellbeing, are creating demand for herbal remedies for pain relief, in which Tiger Balm possesses a unique advantage.



03 Tiger Balm – Official Partner of the Marseille-Cassis Race held in France, October 2021.

04 Tiger Balm Cool Plaster Launch in the Philippines – Shopping video on TikTok. Photo: @_camillemidina

05 Tiger Balm Plaster-RD Launch in Vietnam – Online and Offline Campaign in collaboration with Pharmacy, a leading pharmacy retail chain.

Tiger Balm

GLOBAL PLAYER

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

AMERICA

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

AFRICA

- Kenya
- Malawi
- Mauritius
- South Africa

MIDDLE EAST

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

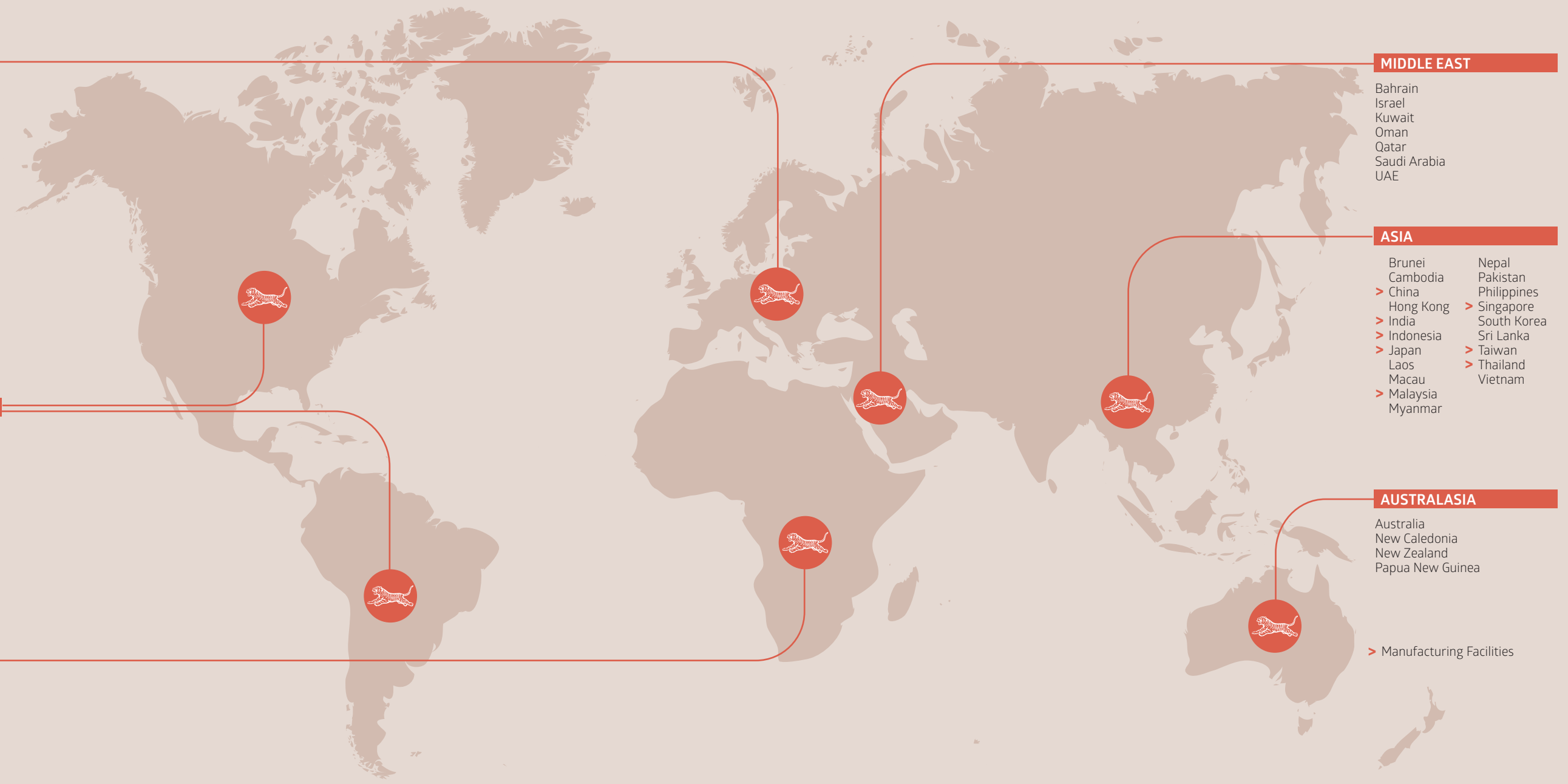
ASIA

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

AUSTRALASIA

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

> Manufacturing Facilities



TIGER BALM COMMUNITY



"Celebrate #InternationalYogaDay 🧘 with Tiger Balm, where we share some of the best Yoga Asanas curated by the experts..."

Tiger Balm #StretchDontStress Campaign in India: (clockwise) @ahamyogofficial; @digvijaylifestyle; @naina_uttam; @fitwithmeenal.



"虎標鎮痛藥布撐住九巴司機大行動!"

[Tiger Balm Plaster Supports Kowloon Bus Drivers!]

"Tiger Balm Got Your Back" Campaign, Hong Kong.



"Peut-être verrez-vous notre logo sur le maillot des équipes jeunes..."

[Perhaps you noticed our logo on the jerseys of the young teams...]

Tiger Balm X ASSE Training Center, France.

"Tell me you're Asian without telling me you're Asian. Tiger Balm!!!"

Brand Ambassador – Artist Ms Heart Evangelista with over 9 million followers on Instagram, the Philippines.



"Une collaboration qui ne fait que de commencer! Tiger Balm France...partenaire du foot amateur 🐯"

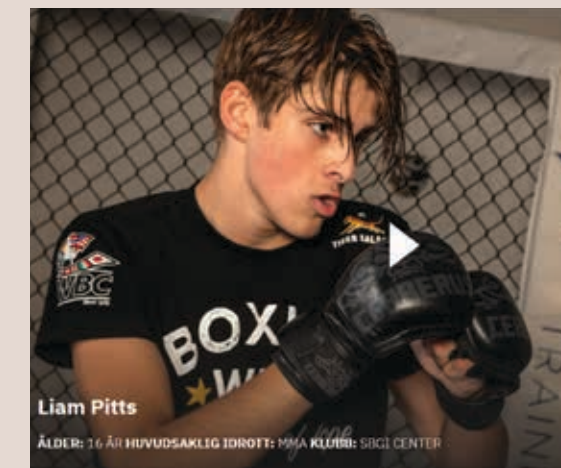
[A collaboration that has only just begun! Tiger Balm France ... partner of amateur football 🐯]

Tiger Balm X Gpe Madewis, France.



"Winners Mixed team Borås Swimrun 2021 🏆 @captainflinta @maratonterese ... 🐯"

Tiger Balm – Official Partner of Borås Swimrun, Sweden.



"Det kändes helt självklart för mig att samarbeta med Team Tigerbalsam."

[It felt completely natural for me to collaborate with Team Tiger Balm.]

Team Tiger Balm – MMA athlete Liam Pitts, Sweden.



"En ce ...journée internationale des droits des femmes, nous souhaitons mettre en avant nos ambassadrices BAUME DU TIGRE... de grandes sportives de haut niveau, qui pratiquent avec passion 🐯 et détermination 🐯 ..."

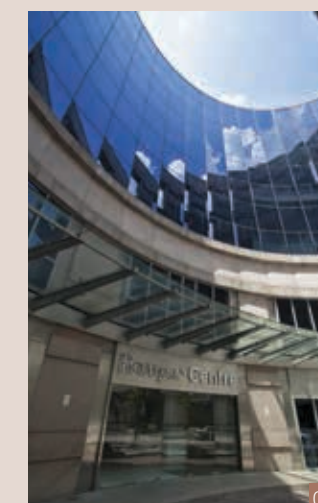
[On this International Women's Day, we highlight our Tiger Balm Ambassadors – great female athletes who practice (their sport) with passion and determination...]

Tiger Balm Ambassadors for France – Trail Runner Sylvaine Cussot, Ski Mountaineer & Cross-country Runner Jessica Pardin and Triathlete Léonie Périault.

INVESTMENT & PROPERTY OPERATIONS REVIEW

INVESTMENT

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



PROPERTY

The property division comprises 45,324 square metres of commercial and industrial investment properties in Singapore and Malaysia, which the Group manages for leasing income.

Singapore

There are three leasehold properties in our Singapore portfolio – Haw Par Centre, Haw Par Glass Tower and Haw Par Technocentre. Strategically located in Clemenceau Avenue, Haw Par Centre and Haw Par Glass Tower have 13,486 square metres of lettable office space with average occupancy standing at about 82% and 73% respectively. Meanwhile, light industrial building Haw Par Technocentre, which is situated in Commonwealth Avenue, reported almost full occupancy for its 15,707 square metres of lettable area.

Malaysia

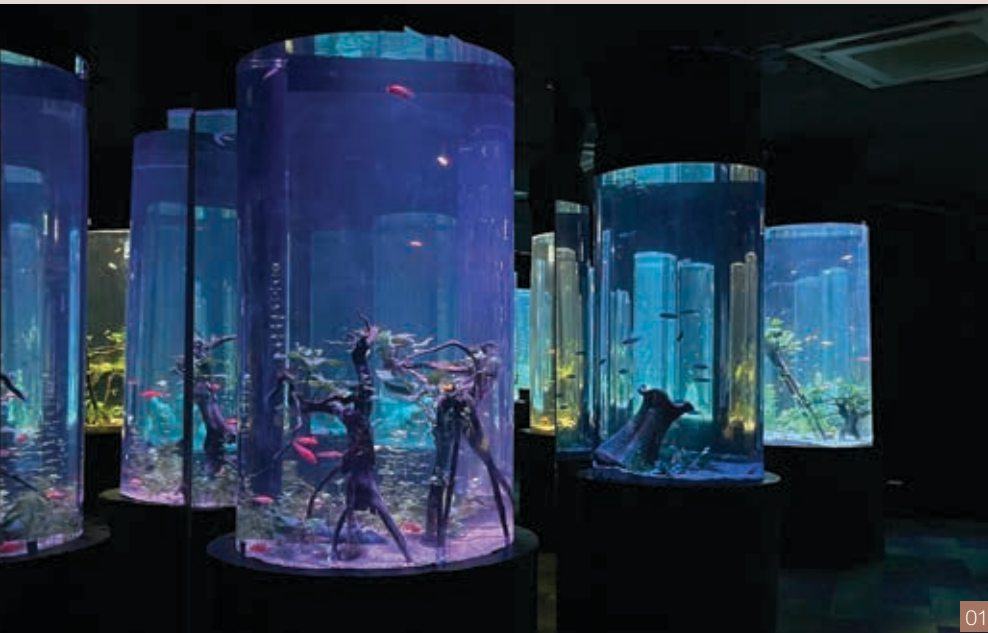
Our freehold commercial property in Malaysia, Menara Haw Par has been affected over the years by an influx of new supplies and weak tenancy demand in the leasing market. Despite having a prime location in Kuala Lumpur's Golden Triangle along Jalan Sultan Ismail, its 16,131 square metres of lettable area was only 54% occupied during the year.

The Key Investments in the Group Include:

	Strategic Investment Portfolio Profile					
	No. of Shares		Fair Value		Gross Investment Income	
	2021	2020	2021	2020	2021	2020
Quoted Equity Securities			\$'000	\$'000	\$'000	\$'000
United Overseas Bank Limited	74,850,539	74,850,539	2,013,480	1,690,874	74,102	85,329
UOL Group Limited	72,044,768	72,044,768	510,077	554,024	10,807	12,608

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

LEISURE OPERATIONS REVIEW



01



02

BEYOND COVID-19: ENHANCING OFFERINGS TO CATER TO AN EVOLVING TRAVEL MARKET

2021 marked another year overshadowed by the COVID-19 pandemic. Thailand went through two lockdowns during the year, taking a toll on its thriving tourism industry in cities like Pattaya, Phuket and Chiang Mai. Efforts in the form of a national vaccination programme and various government schemes such as “Phuket Sandbox” to boost trust and confidence in the Land of Smiles’ tourism sector were met with limited success.

As part of the government-mandated closure from February to March and from July to October, Underwater World Pattaya (UWP) was temporarily closed for a total of six months and last reopened in mid-November. During the period of closure, we took the opportunity to enhance our operational efficiency and cost-savings strategies as well as revamp some of our exhibitions.

To ensure we are well-poised to make up for lost time when tourism resumes, we set out to refresh as well as differentiate UWP from its competitors through refining our offerings. In line with our Blue mission (Inspire, Educate and Conserve), we have created a new exhibit in 2021 – the Aqua Plant zone, which showcases a variety of freshwater fish and aquatic plants.



03



04

The new exhibition zone offers our guests an immersive experience of the freshwater world, catering to a growing public interest in biodiversity conservation amidst climate change.

In view of the international travel restrictions, UWP reinforced its focus on pent-up demand of visitors from the local Thailand market. Tapping on social media and digital advertising platforms, we reached out to new customer segments in the domestic market, making Thailand our key market in 2021. On the international front, UWP joined the “Pattaya Move On” scheme which was still in its nascent stage.

With the safety and wellbeing of our guests and staff in mind, we put in place measures which adhered

to strict Covid-19 protocols. We are honoured that our efforts have been recognised as we were upgraded from “Amazing Thailand Safety and Health Administration” SHA standard in 2020 to SHA+ in 2021.

CHALLENGES & OPPORTUNITIES

As the Thailand government continues to revive the local and international tourism scene in 2022, UWP stands to benefit from initiatives such as “Pattaya Move On” and “Visit Thailand Year 2022”. Plans are in the works for targeted campaigns overseas to raise awareness of our aquarium attraction when cross-border travel picks up. We hope to expand our market reach through developing new online sales channels, while keeping up with our cost-savings measures.

- 01 & 02 The Aqua Plant zone, an all-new immersive showcase of freshwater fish and aquatic plant.
- 03 Underwater Santa Feeding Sessions during Christmas holiday season.
- 04 Increasing Underwater World Pattaya’s appeal to Gen Z.

PEOPLE & THE COMMUNITY



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

SUPPORTING THE WELLBEING OF OUR COMMUNITIES DURING COVID TIMES

As the Covid-19 pandemic continues to impact societies, we reinforced on our commitment to support our global communities through donations of Tiger Balm products to those in need, as well as those at the frontlines.

- 01 & 02 Ramathibodi Hospital Faculty & Representatives, Bangkok, Thailand.
- 03 Dover Park Hospice Staff, Singapore.
- 04 The National Kidney Foundation (NKF) Staff, Singapore.



05 The United Nations adopted 17 Sustainable Development Goals in 2015 to achieve sustainable development for all by 2030. Haw Par contributes to five of the goals.

We worked closely with NGOs like AWWA, Project Chulia Street, HealthServe and Friends for Aviation to give out Tiger Balm care packs to vulnerable groups that include elderly at nursing homes and dementia day care centres; as well as frontliners, including migrant workers and baggage handlers at Changi Airport.

In our donation drive, our dedicated healthcare workers remain our core beneficiaries. We distributed our Tiger Balm products to public hospitals and healthcare teams caring for at-risk groups, such as patients at hospices and charitable dialysis centres. Our donation efforts also go beyond Singapore, where we presented 30 hospitals in Bangkok and key cities in Thailand with healthcare kits of Tiger Balm Neck & Shoulder Rub and Medicated Plasters, as well as 10 hospitals in Vietnam with Tiger Balm Oil. Furthermore, we did our part to garner public support for healthcare professionals by releasing a micro movie to celebrate National Doctors' Day in India.

Besides paying tribute to our frontliners, we also partnered Chemical Industries Employees' Union in Singapore to contribute Tiger Balm products into goodie bags containing daily essentials for lower-wage workers as part of the "Gift from the Heart" outreach.

Beyond product donations, our Team Tiger Balsam organised fundraising activity in Sweden through its Bosön Team Tiger Balsam All Stars Training Camp, while Tiger Balm commemorated World Health Day in India through an involvement in #JumpForHealth fundraising challenge in aid of people with special needs.

Where philanthropic efforts were concerned, Haw Par has adopted the Singapore Disability Sports Council (SDSC) as our charity partner since 2015. In 2021, our contribution of S\$120,000 to SDSC benefitted the organisation in key developments, such as coaching, organisation of local competitions and sporting awards, participation in overseas competitions, nurturing young talent and education programmes.

One such award that we have supported was the Singapore Disability Sports Awards, which was held virtually on 5 August 2021 and streamed live on YouTube. This was a special 'Resilience' edition, where the awards focused on the display of Paralympic values, such as courage, determination, inspiration, and equality.

Other SDSC projects that we have supported in 2021 include the Boccia Team, Tiger Balm National Youth Individual Boccia Trials, Tiger Balm WeHeartBoccia Community Outreach and National Youth Para Championships (Swimming & Athletics).

Our adoption of the Boccia team has empowered athletes to continue breaking new frontiers, most notably at the Asian Youth Para Games (AYPG) held in Bahrain in December 2021. In particular, Team Singapore's flag bearer, Aloysius Gan won the Gold medal for Boccia - BC3 Men's Individual Event, making this Singapore's first-ever Boccia medal at the AYPG.

PEOPLE & THE COMMUNITY



01



02



03

- 01 Boccia athlete Aloysius Gan won Gold at Bahrain 2021 Asian Youth Para Games.
- 02 WeHeartBoccia sessions for trainers at Early Intervention Centres and Senior Activity Centres.
- 03 Participants at Haw Par Junior & Youth Athletics Meet 2021.
- 04 Cheque presentation to Singapore Disability Sports Council.
Photos: SDSC



04

Our support for SDSC has enabled the Singapore para sports arena to thrive, contributing towards the adoption of healthy and active lifestyles.

SUPPORTING BIODIVERSITY THROUGH RAISING AWARENESS

As a Company that contributes to the health and wellbeing of our consumers, we appreciate that we can only be as healthy as the planet we live in. As such, we continuously explore ways to preserve biodiversity as we keenly promote environmental education.

As the tiger and leopard are the namesakes of Haw Par and our founders, we have been contributing towards the conservation of these animals labelled as some of the most endangered species on Earth.

Since 1995 and 1986, we have been sponsoring the Malayan Tiger Exhibit and the Leopard Exhibit at the Night Safari and the Singapore Zoo (both under Mandai Wildlife Reserve (MWR)) respectively.

Towards this end, we have extended our sponsorship for the animals in 2021 through our adoption of the twin Malayan tiger cubs born at Night Safari. This was a significant event, which marked the first successful birth of the critically endangered Malayan tiger at MWR in 23 years, given that only an estimated 150 Malayan tigers are left in the wild. The pair of cubs served as ambassadors for their species, helping to raise awareness on the urgent need to protect these magnificent animals and their natural habitats.



05



06

05 & 06 Adoption of twin Malayan tiger cubs born at Night Safari.
Photos: MWR

In line with our Blue Mission to inspire, educate and conserve, our aquarium – Underwater World Pattaya introduces the public to its showcase of various species of aquatic life onsite and online.

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

SUSTAINABILITY REPORT

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

FIVE-YEAR FINANCIAL SUMMARY

	2021	2020	2019	2018	2017
Results (\$'000)					
Group turnover	141,180	111,032	243,987	237,814	222,763
Profit from operations	112,958	120,689	195,202	190,989	136,905
- Healthcare	21,328	16,200	74,777	77,252	68,579
- Investment	87,888	101,027	114,102	105,508	60,217
- Others ¹	8,878	9,139	10,815	12,322	12,674
- Unallocated expenses	(5,136)	(5,677)	(4,492)	(4,093)	(4,565)
Associate's contribution	3,222	3,517	1,765	1,290	937
Profit before taxation	116,180	124,206	196,967	192,279	137,842
Profit attributable to equity holders of the Company	110,103	119,773	182,207	179,068	122,460
Per Share					
Earnings (cents)	49.8	54.2	82.4	81.2	55.7
Dividend net (cents)	30	30	30	115 ²	20
Dividend cover (times)	1.7	1.8	2.7	0.7	2.8
Statement of Financial Position (\$'000)					
Strategic investments	2,527,981	2,252,562	2,621,786	2,342,975	2,710,474
Investment properties	53,070	55,870	56,263	56,569	58,766
Property, plant and equipment	31,984	31,068	26,813	26,983	28,561
Associated company	13,044	10,222	7,105	5,740	4,850
Intangible assets	11,116	11,116	11,116	11,116	11,116
Other net assets	574,281	524,328	433,349	484,650	264,526
Net assets / Shareholders' funds	3,211,476	2,885,166	3,156,432	2,928,033	3,078,293
Statistics					
Return on equity (%)	3.4	4.2	5.8	6.1	4.0
Net assets per share (\$)	14.51	13.04	14.28	13.26	13.98
Share price (\$)	11.35	10.70	12.75	12.02	11.35
Debt/Equity (%)	0	0	0.2	0.8	1.5
Number of shareholders	19,619	20,370	18,909	18,675	19,109

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

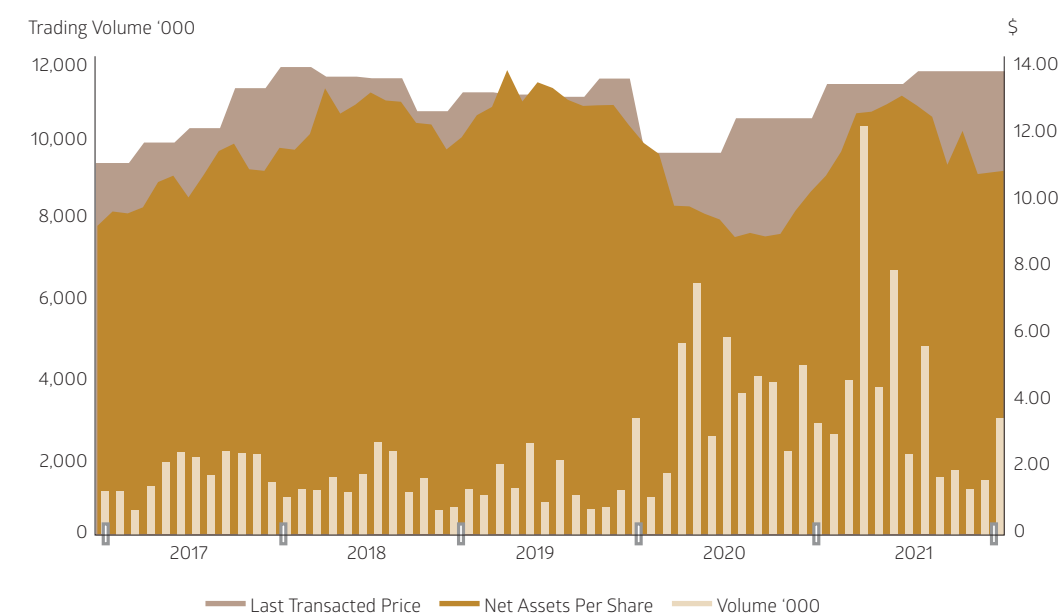
² Included a special dividend of 85 cents per share.

SHARE PRICE & TRADING VOLUME

Earnings Per Share and Net Dividend Per Share



Trading Volume, Share Price & Net Assets Per Share



FINANCIAL REVIEW

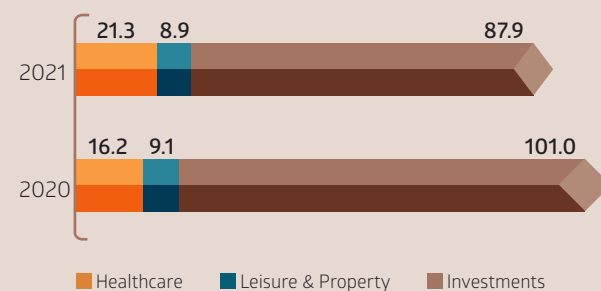
OVERVIEW

Group revenue of \$141.2 million increased by 27% from 2020, mainly contributed by the gradual recovery of Healthcare's business as consumer spending improved in some markets. However, Healthcare's business is still negatively impacted by the COVID-19 pandemic which also caused disruptions to global supply chains.

Operating segment profits before interest expense for Healthcare recovered by 32% to \$21.3 million while profits from Leisure and Property segments collectively dropped 3% to \$8.9 million due to higher operating loss at UWP. Investments income dropped 13% to \$87.9 million from lower dividend income from strategic investments and lower interest rate. Group earnings decreased by 8% to \$110.1 million (2020: \$119.8 million) and earnings per share dropped to 49.8 cents (2020: 54.2 cents).

Net asset per share increased to \$14.51 (2020: \$13.04) attributed mainly to higher market valuations of the Group's strategic investments as at 31 December 2021.

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

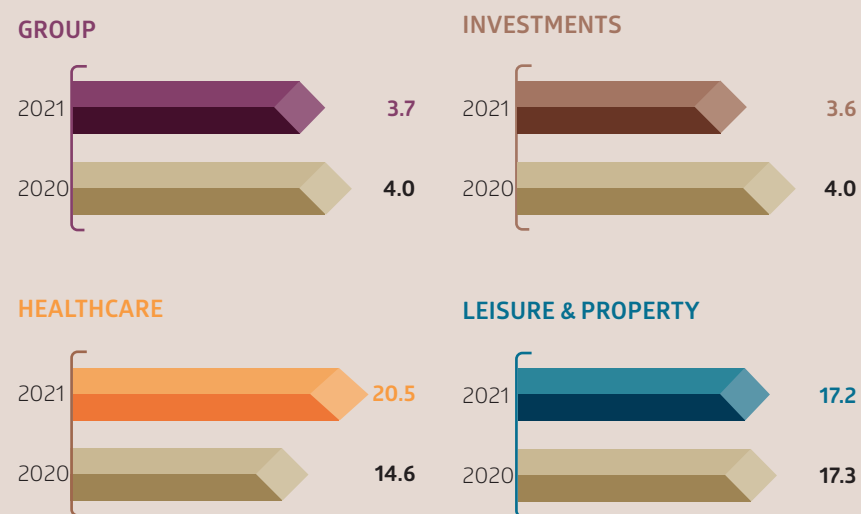


RETURN ON ASSETS EMPLOYED

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 3.7% in 2021 (2020: 4.0%) due mainly to lower investment income. ROA of Healthcare increased from 14.6% in 2020 to 20.5% in 2021 as gross margin and operating profit improved from higher consumer demand. ROA of Investments decreased to 3.6% due to lower overall dividend rates from strategic investments and market valuations of the Group's strategic investments increased. ROA of Leisure and Property remained stable at 17.2%.

RETURN ON ASSETS EMPLOYED (%)

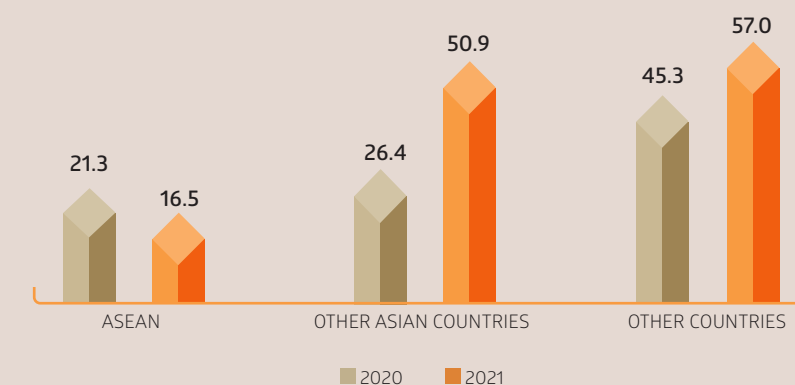


SEGMENTAL PERFORMANCE

HEALTHCARE

Total revenue generated by Healthcare increased 34% to \$124.4 million as sales picked up in second half of the year. However, sales in ASEAN countries decreased a further 23% to \$16.5 million as the emergence of more virulent strains resulted in heightened movement restrictions in certain countries within the region, suppressing consumer demand. Sales to other Asian countries rebounded 93% to \$50.9 million though demand was still below pre-pandemic levels. Sales to countries outside of Asia increased by 26% to \$57.0 million, with higher sales demand in countries which eased movement restrictions.

HEALTHCARE SALES BY REGION (\$ million)

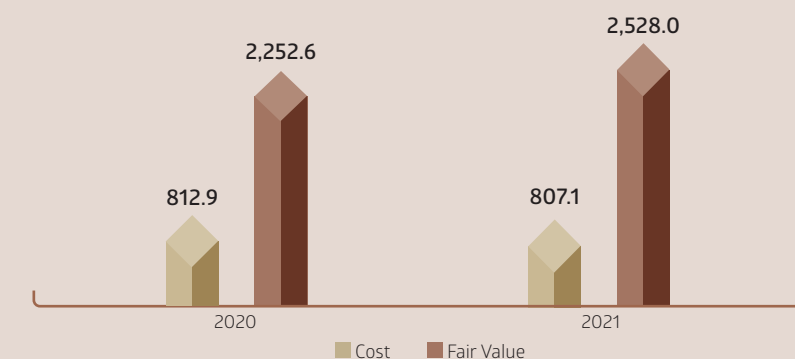


INVESTMENT

Fair value of the Group's investments portfolio increased from \$2,252.6 million as of 31 December 2020 to \$2,528.0 million as of 31 December 2021 due mainly to higher market valuations of its strategic investments.

The Group's dividend income decreased 13% to \$84.9 million in 2021 due mainly to lower dividend rate.

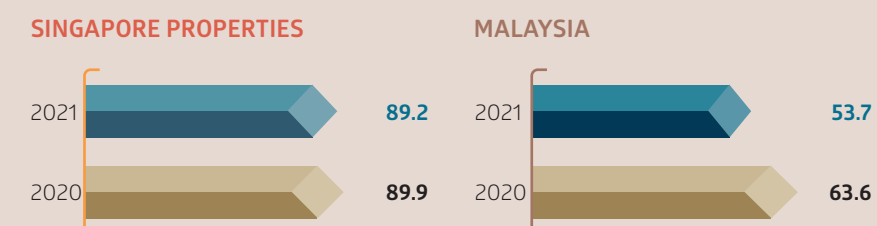
INVESTMENTS (COST VS FAIR VALUE) (\$ million)



PROPERTY

Property's average occupancy remained stable for Singapore properties with increase in occupancy at Haw Par Centre offset by lower occupancy at Haw Par Glass Tower. Occupancy in our Malaysia property dropped further due to weak demand for office space in Kuala Lumpur city area.

PROPERTY (AVERAGE OCCUPANCY) (%)



CORPORATE GOVERNANCE REPORT 2021

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 2021 (“**FY2021**”) 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.

CORPORATE GOVERNANCE REPORT

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

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

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

On sustainability issues, the Sustainability Steering Committee ("**SSC**"), consisting of senior management and led by the President & Chief Executive Officer (the "**CEO**"), champions sustainability efforts and priorities within the Group. The SSC reports to the Board, which has considered sustainability issues as part of its overall strategy formulation, and has determined the Environmental, Social and Governance ("**ESG**") factors identified as material to the business of the Group. The Board oversees the management and monitoring of these ESG factors. The material ESG factors that are the focus in the sustainability reporting of the Group for FY2021 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.

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

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

The Board held four meetings during FY2021. Directors attend and actively participate in Board and Board Committee meetings, and can attend Board and Board Committee meetings in person or virtually if they are unable to attend in person. The attendance of Directors at the Annual General Meeting (“AGM”), Board and Board Committee meetings held in FY2021 is as follows:

Table 1:

Number of meetings attended in FY2021

Name	Board	Audit and Risk Committee	Nominating Committee	Remuneration Committee	Investment Committee	AGM
	4	4	1	1	3	1
	Number of Meetings Attended					
Wee Cho Yaw (Non-executive/Non-independent)	4/4 ⁽²⁾	N/A	1/1	1/1	3/3 ⁽²⁾	1/1
Wee Ee-chao (Non-executive/Non-independent)	4/4	N/A	N/A	N/A	N/A	1/1
Wee Ee Lim (Executive/Non-independent)	4/4	4/4 ⁽¹⁾	N/A	1/1 ⁽¹⁾	3/3	1/1
Sat Pal Khattar ⁽⁷⁾ (Non-executive/Independent)	4/4	N/A	1/1 ⁽²⁾	1/1 ⁽²⁾	N/A	1/1
Chew Kia Ngee ⁽⁵⁾ (Non-executive/Independent)	1/4	1/4	N/A	N/A	N/A	1/1
Hwang Soo Jin ⁽⁷⁾ (Non-executive/Independent)	4/4	N/A	N/A	N/A	N/A	1/1
Lee Suan Yew ⁽⁷⁾ (Non-executive/Independent)	4/4	N/A	N/A	N/A	N/A	1/1
Peter Sim Swee Yam ⁽⁵⁾ (Non-executive/Independent)	1/4	1/4	1/1	N/A	N/A	1/1
Gn Hiang Meng (Non-executive/Independent)	4/4	4/4	1/1	1/1	N/A	1/1
Chew Choon Soo ⁽⁴⁾ (Non-executive/Independent)	4/4	3/4	0/1	1/1	N/A	1/1
Low Weng Keong (Non-executive/Independent)	4/4	4/4 ⁽²⁾⁽³⁾	N/A	N/A	N/A	1/1
Ong Sim Ho ⁽⁶⁾ (Non-executive/Independent)	0/4	N/A	N/A	N/A	N/A	0/1

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) Appointed as Chairman of ARC on 23 April 2021.
- (4) Appointed as member of ARC and NC on 23 April 2021.
- (5) Retired at Annual General Meeting held on 23 April 2021.
- (6) Appointed on 10 November 2021.
- (7) Resigned with effect as at the end of 31 December 2021.

CORPORATE GOVERNANCE REPORT

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

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

The Company is a corporate member of the Singapore Institute of Directors. The Company encourages Directors to keep abreast of relevant new laws, regulations, changing commercial risks and industry development from time to time, and arranges and funds the training of Directors to attend external courses and talks by professional organisations to develop and maintain their skills and knowledge, as and when relevant and needed. Directors are continuously updated by the Company Secretary and auditors on developments in the regulatory and business environment affecting the Group. During FY2021, the Directors were given updates on the changes and proposed changes to the Listing Rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and the Code and changes in the new accounting standards and reporting requirements. None of the Directors has appointed an alternate director.

Principle 2: Board Composition and Guidance

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

The Board considers its present size of seven Directors appropriate for the current scope and nature of the Group's operations. Four out of seven Directors are Non-Executive and Independent Directors. The Nominating Committee ("**NC**") has reviewed the composition of the present Board and the Board Committees and is satisfied that the Board comprises 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, and provide an appropriate mix in other aspects of diversity including age, in line with the Board Diversity Policy approved by the Board, 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, knowledge of the Company and other aspects) 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 Board comprised a majority of Independent Directors throughout FY2021. The Non-Executive Directors during FY2021 considered as independent by the Board are Mr Sat Pal Khattar, Mr Hwang Soo Jin, Dr Lee Suan Yew, Mr Gn Hiang Meng, Mr Chew Choon Soo, Mr Low Weng Keong, Dr Chew Kia Ngee, Mr Peter Sim Swee Yam and Mr Ong Sim Ho, as indicated in Table 1 above. The Board is of the view that they maintained their independence throughout FY2021.

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

The Independent Directors are not family members of any substantial shareholder of the Company and were not directly associated with any substantial shareholder in FY2021 or the immediate past financial year. They and their immediate family members did not have any financial dealings with the Group whether in FY2021 or the immediate past financial year, nor were they or any of their immediate family members, during FY2021 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 FY2021 or the immediate past financial year. Also, neither they nor any of their immediate family members were employed by the Group at any time during FY2021 or during the previous three financial years. In addition, they and their immediate family members did not receive any significant compensation (of more than S\$50,000) from the Company or any of its related corporations for the provision of services during FY2021 or during the immediate past financial year other than as Directors' fees for their 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 operated 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 three of the Directors, namely Mr Sat Pal Khattar, Dr Lee Suan Yew and Mr Hwang Soo Jin, had 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 during FY2021. Mr Khattar, Mr Hwang and Dr Lee resigned as Non-Executive Independent Directors with effect as at the end of 31 December 2021 to support the renewal of the Board.

Principle 3: Chairman and Chief Executive Officer

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

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

CORPORATE GOVERNANCE REPORT

Although the Chairman and CEO are related, the Board is of the opinion that it is not necessary to appoint a lead Independent Director for the reasons specified in this paragraph. A shareholder can approach any Independent Director for assistance through the Company Secretary, if he or she has any concerns or issues that affect shareholders generally. Where necessary, the Independent Directors also have the discretion to meet without the presence of other Directors and can provide 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 has failed 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.

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 comprised four members during the period of 1 January 2021 to 23 April 2021, namely, Mr Sat Pal Khattar, Dr Wee Cho Yaw, Mr Gn Hiang Meng and Mr Peter Sim Swee Yam. Mr Sat Pal Khattar was the Chairman of the NC during that period.

Mr Peter Sim ceased to be a member of the NC following his retirement on 23 April 2021, and Mr Chew Choon Soo was appointed as a member of the NC with effect from 23 April 2021. During the period from 23 April 2021 to 31 December 2021, the NC comprised four members, being Mr Sat Pal Khattar, Dr Wee Cho Yaw, Mr Gn Hiang Meng and Mr Chew Choon Soo. Mr Sat Pal Khattar continued as the Chairman of the NC during that period.

Following Mr Sat Pal Khattar's resignation from the Board effective as at the end of 31 December 2021, Mr Gn Hiang Meng was appointed as the Chairman of the NC with effect from 1 January 2022. The NC currently comprises three members, namely, Mr Gn Hiang Meng, Dr Wee Cho Yaw and Mr Chew Choon Soo.

Throughout FY2021, the NC comprised at least three Directors, the majority of whom, including the Chairman, were Independent Directors.

The principal responsibilities of the NC are to:

- review appointments/reappointments of Directors and Key Management Personnel¹ ("KMPs");
- review the composition of the Board and Board Committees;

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

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

and make recommendations to the Board on the same.

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

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

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

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

CORPORATE GOVERNANCE REPORT

Principle 5: Board Performance

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

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

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

For FY2021, the NC evaluated and assessed the effectiveness of the Board's performance as a whole, taking into consideration, amongst other matters, the Board's discharge of its principal responsibilities, and the earnings of the Group, return on equity and the share price performance of the Company over a five-year period. These performance criteria also include the performance of the Company as compared to industry peers and are linked to long term shareholder value. The NC is of the opinion that the Board as a whole has performed well during FY2021 and that the Chairman and each Director has contributed to the overall effectiveness of the Board.

For FY2021, 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.

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 has increased the Board's control over confidential and price sensitive information and has helped to create a secure environment, while contributing to the Company's sustainability efforts by reducing paper usage. The electronic portal also contains a library of resources, including constitutional documents, documents relating to past Board meetings and annual reports as well as communication tools which enable Directors to easily access relevant information and have it at their fingertips throughout the year.

Regular Board meetings are scheduled in November each year for the following year while urgent Board meetings, if needed, are normally scheduled at least five working days in advance. The Board is also provided with opportunities to meet with managers and heads of divisions on 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 Chief Financial Officer ("**CFO**") attends all Board and Board Committee meetings. They ensure that Board procedures are followed and the rules and regulations applicable to the Board are complied with. The Company Secretary and CFO are responsible for ensuring adequate information flows within the Board and Board Committees and between senior management and Non-Executive Directors, advising the Board on all governance matters, as well as facilitating orientation and assisting with professional development as required. Under the Constitution of the Company ("**Constitution**"), the decision to appoint or remove the Company Secretary rests with the Board as a whole. Directors may take independent professional advice, if necessary.

REMUNERATION MATTERS

Principle 6: Procedures for Developing Remuneration Policies

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

Procedures for Developing Remuneration Policies

The Remuneration Committee ("**RC**") comprised four members during FY2021, namely Mr Sat Pal Khattar, Dr Wee Cho Yaw, Mr Gn Hiang Meng and Mr Chew Choon Soo, with Mr Sat Pal Khattar as Chairman.

Following Mr Sat Pal Khattar's resignation effective as at the end of 31 December 2021, Mr Gn Hiang Meng was appointed as Chairman of the RC with effect from 1 January 2022. The RC currently comprises three members, namely Mr Gn Hiang Meng, Dr Wee Cho Yaw and Mr Chew Choon Soo.

Under the RC Charter, the majority of the RC, including the Chairman of the RC, shall be Independent Directors. All the members of the RC are Non-Executive Directors. The RC is supported by the Human Resource Director and/or external consultants if needed.

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 the remuneration packages for KMPs; and
- d) administering the Company's long term incentive plan.

During FY2021, the RC reviewed the amount of Directors' fees payable to the Non-Executive Directors to be recommended for shareholders' approval. It also assessed the performance of and determined all aspects of remuneration of the Executive Director, and reviewed the remuneration packages for KMPs.

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

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

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

Principle 8: Disclosure of Remuneration

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

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

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

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

Board	S\$
- Chairman	90,000
- Deputy Chairman	58,500
- Member	45,000
 Audit and Risk Committee	
- Chairman	20,000
- Member	10,000
 Nominating and Remuneration Committee	
- 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. The Group's remuneration policies take into account the risk policies of the Group, including risk outcomes and the time horizon of risks. The remuneration package normally comprises fixed and variable components. The fixed component comprises basic salary, allowances and central provident fund contributions. The variable component comprises a variable bonus based on the Group's and each individual's performance and grants under the Haw Par Long Term Cash Award Plan ("HPLTI Plan"). A variable bonus scheme is in place for each business unit. This economic value-added based bonus scheme takes into consideration working capital efficiency, productivity and current year earnings in order to derive a pool for distribution in accordance with the individual's performance and his/her contributions towards meeting the respective work plans for the year. In determining the pool, investment income which comprises dividend income from the Group's strategic investments and interest income/expense from the Group's central treasury function are excluded. Eligible employees are also entitled to receive grants under the HPLTI Plan, which places emphasis on rewarding individual employees based on their performance (as explained in greater detail below). The Company had a share option scheme, the Haw Par Corporation Group 2002 Share Option Scheme, which ceased in 2017 with the remaining previously granted options valid until the respective expiry dates. Details of this share option scheme are found in the Directors' Statement.

CORPORATE GOVERNANCE REPORT

In the annual review of the remuneration of the CEO and KMPs (who are not Directors or CEO), the RC takes into consideration the performance of the individual as an important factor in its review and the comparative remuneration of similarly placed persons in the market. The performance criteria for the CEO includes achievement of financial objectives using financial indicators such as overall profitability and return on assets over a period of time, which criteria were chosen in order to incentivise the CEO and align his interests with that of the Group. These criteria were satisfactorily met during FY2021. The remuneration of the CEO and KMPs (who are not Directors or CEO) is reviewed annually by the RC and includes a variable bonus component which is performance-based as described above. The level and structure of remuneration for the CEO is aligned with the long term interests of the Group.

The HPLTI Plan was put in place and was approved by the Board in FY2017 to take effect from 1 January 2018. The objective of the HPLTI Plan is to incentivise KMPs to drive long term business priorities and shareholder value creation. Under the HPLTI Plan, targets are set in advance over a two-year performance period. Participants will receive cash awards based on the level of achievement of the targets at the end of the performance period and with the RC's approval. 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 CEO's and KMPs' (who are not Directors or CEO) remuneration is structured so as to link rewards to corporate and individual performance. Performance-related remuneration is aligned with the interests of shareholders and other stakeholders and promotes the long-term success of the Company. Further, remuneration is appropriate to attract, retain and motivate the Director(s) to provide effective stewardship of the Company, and the CEO and KMPs (who are not Directors or CEO) to successfully manage the Company for the long term.

The details of the remuneration of each Director for FY2021 are as follows:

Table 2:

Name	Directors' Fees ¹ 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	-	1,148	651	126	1,925
Wee Cho Yaw	100	-	-	-	100
Wee Ee-chao	59	-	-	-	59
Sat Pal Khattar ⁴	65	-	-	-	65
Hwang Soo Jin ⁴	45	-	-	-	45
Lee Suan Yew ⁴	45	-	-	-	45
Chew Kia Ngee	20	-	-	-	20
Peter Sim Swee Yam ²	19	-	-	-	19
Gn Hiang Meng	65	-	-	-	65

Name	Directors' Fees ¹ S\$'000	Base or fixed salary S\$'000	Variable bonus S\$'000	Benefits-in-kind and others S\$'000	Total S\$'000
Chew Choon Soo	60	–	–	–	60
Low Weng Keong	62	–	–	–	62
Ong Sim Ho ³	6	–	–	–	6

Notes:

1. Directors' fees are subject to shareholders' approval at the forthcoming annual general meeting on 27 April 2022.
2. Mr Peter Sim and Dr Chew Kia Ngee retired as Directors of the Company on 23 April 2021.
3. Mr Ong Sim Ho was appointed as Non-Executive Independent Director of the Company on 10 November 2021.
4. Mr Sat Pal Khattar, Mr Hwang Soo Jin and Dr Lee Suan Yew resigned as Directors of the Company with effect as at the end of 31 December 2021.

The remuneration of, each of, the top five KMPs (who are not Directors or CEO) for FY2021, in no order of quantum sum, is as follows:

Table 3:

Name/Position	Base or fixed salary	Variable bonus	Benefits-in-kind and others	Total
S\$250,000 – S\$500,000	%	%	%	%
Loo Liat Khiang Brian, Group General Manager	74	18	8	100
Goh Bee Leong, GM – Manufacturing	70	21	9	100
Jasmin Hong, GM – Marketing	71	21	8	100
Keeth Chua, GM – Marketing	65	27	7	100
Chow Say Suan, CFO	56	43	0	100

The total remuneration paid/accrued to the top five KMPs (who are not Directors or CEO) is S\$1,850,315.

The aggregate amount of termination, retirement and post-employment benefits that may be granted to the CEO, and the KMPs (who are not Directors or CEO) is about S\$590,000.

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 FY2021. 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 7 March 2022, there is one employee who is a substantial shareholder of the Company, namely the CEO and Executive Director, Mr Wee Ee Lim.

CORPORATE GOVERNANCE REPORT

ACCOUNTABILITY AND AUDIT

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

Audit and Risk Committee ("ARC")

Principle 10: Audit Committee

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

The ARC comprised four members during the period from 1 January 2021 to 23 April 2021, namely, Dr Chew Kia Ngee, Mr Peter Sim Swee Yam, Mr Gn Hiang Meng and Mr Low Weng Keong, all of whom were Non-Executive Independent Directors, with Dr Chew appointed as Chairman of the ARC.

Dr Chew and Mr Peter Sim retired as Directors of the Company on 23 April 2021. On 23 April 2021, Mr Low was appointed as Chairman of the ARC, and Mr Chew Choon Soo was appointed as a member of the ARC. The ARC currently comprises three members, namely Mr Low Weng Keong, Mr Gn Hiang Meng and Mr Chew Choon Soo, all of whom are Non-Executive Independent Directors.

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 ARC comprised not less than three members during FY2021, all of whom were Non-Executive Independent Directors. The current and former Chairmen and members of the ARC during FY2021 have or had (as the case may be) the requisite expertise and experience as elaborated on below:

- the former Chairman of the ARC, Dr Chew Kia Ngee, is a senior accountant with over 40 years' experience in the profession;
- the current Chairman of the ARC, Mr Low Weng Keong, was formerly the country managing partner of a Big Four in Singapore, and a past global chairman and president of CPA Australia;
- Mr 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 Gn Hiang Meng was a senior banker with more than 30 years' experience in investment banking and the hospitality industry; and
- Mr Chew Choon Soo has more than 23 years of senior executive search and assessment experience and served in various regional and global management and committee roles.

None of the current and former ARC members were partners or directors of the Company's existing auditors in the last 24 months, or had or had had any financial interest in the Company's existing auditors.

The principal responsibilities of the ARC include:

- reviewing the audit plans with the internal and external auditors;
- reviewing the audit report of the external auditors and the results of the internal audit procedures;
- making recommendations to the Board on the proposals to the shareholders on the appointment, re-appointment and removal of external auditors, and the compensation and terms of engagement of the external auditors;
- reviewing annually the adequacy, effectiveness, independence, scope, results and objectivity of the external auditors, the cost effectiveness of the audit, and the nature and extent of non-audit services;
- approving the hiring, removal and compensation of the Group Internal Audit Manager and evaluating the performance of the Group Internal Audit Manager;
- ensuring that the internal audit function is adequately resourced and has appropriate standing within the Group;
- reviewing the adequacy, effectiveness, independence, scope and results of the internal audit function annually;
- reviewing the Group's periodic and full year results and annual financial statements prior to approval by the Board, and the appropriateness and consistency of accounting principles and policies adopted across the Group, including significant financial reporting issues and judgements;
- reviewing any announcements relating to the Company's performance;
- reviewing annually the adequacy and effectiveness of the Company's system of internal controls, including accounting controls, and addressing financial, operational, compliance and information technology ("IT") risks and risk management processes;
- reviewing the assurance from the CEO and the CFO as to the proper maintenance of financial records and that the financial statements give a true and fair view of the Group's operations;
- reviewing IPTs and related party transactions;

CORPORATE GOVERNANCE REPORT

- reviewing whistle-blowing reports; and
- reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on.

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

During FY2021, 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 co-operation provided by management and inquired into material weaknesses or control deficiencies noted during the course of their work. There was no adverse feedback from these meetings.

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

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 FY2021 is approximately S\$300,000. The breakdown of fees paid/payable for audit and non-audit services is approximately S\$296,000 and S\$4,000 respectively. The ARC has reviewed and is satisfied with the independence and objectivity of the external auditors.

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

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

Principle 9: Risk Management and Internal Controls

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

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

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

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

It performs the following roles:

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

CORPORATE GOVERNANCE REPORT

Risks are broadly categorised as follows:

Strategic risks

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

Operational risks

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

Compliance risks

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

Financial risks

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

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 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 FY2021, the Board has received assurances from:

- (a) the CEO and the CFO that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and
- (b) the CEO and the Risk Management Committee that the Group's risk management and internal control systems are adequate and effective in all material respects as at 31 December 2021.

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 2021.

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.

Code of Business Conduct and Whistle Blowing Policy

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

In line with the Code of Business Conduct, the Group has in place a Whistle Blowing policy and process under which employees and external parties may report to the ARC any improprieties or suspected wrongdoing 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, or via email or hotlines. 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 Business Conduct is effectively communicated and integrated into the Company's strategy and operations, including risk management systems and remuneration structures.

Internal Audit

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

CORPORATE GOVERNANCE REPORT

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.

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 through the Group's corporate website at 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 and may be accessed by entering the URL set out in the Company's letter to shareholders. The URL at which the Annual Report may be accessed is also set out in the Notice of AGM. By filling in a copy of the Request Form, shareholders may request for a physical copy of the Annual Report. Physical copies of the Company's letter to shareholders, the Request Form and the Notice of AGM are circulated to all shareholders.

To allow the Company's shareholders to communicate their views on various matters affecting the Company and contact the Company with questions, and in order to solicit and understand the views of shareholders, the Company has a dedicated communications channel with the Investor Relations Department which is available to shareholders and can be reached via email at investorrelations@hawpar.com. The

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

The Company 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.

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 52nd AGM of the Company held on 23 April 2021 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

CORPORATE GOVERNANCE REPORT

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/agm2022.

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 FY2021 will be convened and held by electronic means pursuant to the COVID-19 Temporary Measures Order. 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.

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

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

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

OTHER GOVERNANCE PRACTICES

Investment Committee

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

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

Interested Person Transactions

The Group does not have any general mandate from shareholders pursuant to Rule 920 of the Listing Manual of the SGX-ST with regard to IPTs. 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 insider trading laws at all times. There are also internal policies and guidelines on confidentiality and safeguards for the handling of confidential information.

DIRECTORS' STATEMENT

For the financial year ended 31 December 2021

The Directors present their statement to the members of the Company together with the audited financial statements of the Group for the financial year ended 31 December 2021 and the statement of financial position of the Company as at 31 December 2021.

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 2021 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

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

Wee Cho Yaw	<i>(Chairman)</i>
Wee Ee-chao	<i>(Deputy Chairman)</i>
Wee Ee Lim	<i>(President & Chief Executive Officer)</i>
Gn Hiang Meng	
Chew Choon Soo	
Low Weng Keong	
Ong Sim Ho	<i>(appointed on 10 November 2021)</i>

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 2021

Directors' interests in shares or debentures

- (a) The Directors holding office at 31 December 2021 are also the Directors holding office at the date of this statement, save for Sat Pal Khattar, Hwang Soo Jin and Lee Suan Yew who have resigned from the Board of the Company at the end of 31 December 2021. 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	
	31.12.2021	1.1.2021	31.12.2021	1.1.2021
<u>Interest in the Company's ordinary shares</u>				
Wee Cho Yaw	1,092,373	1,092,373	79,728,935	79,728,935
Wee Ee Lim	437,192	437,192	75,001,783	75,001,783
Wee Ee-chao	13,826	13,826	75,135,381	75,135,381
Sat Pal Khattar	-	-	96,219	96,219

- (b) By virtue of Section 7 of the Companies Act 1967, Wee Cho Yaw, Wee Ee Lim and Wee Ee-chao, who by virtue of their interest of not less than 20% in the issued capital of the Company, are also deemed to have an interest in the shares of the various subsidiary companies held by the Company.
- (c) Save for Sat Pal Khattar who resigned at the end of 31 December 2021, the Directors' interests in the ordinary shares and share options of the Company as at 21 January 2022 were the same as those as at 31 December 2021.

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.

DIRECTORS' STATEMENT

For the financial year ended 31 December 2021

Share options (continued)

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 31.12.2021	Exercise price	Exercise period
1.3.2017	21,000	\$9.96	1.3.2018 – 28.2.2022

During the financial year, 156,000 ordinary shares of the Company were issued by virtue of the exercise of options and no unexercised share options were cancelled. The market price on the dates of exercise ranged from \$11.43 to \$13.37 per share. Further information can be found in Note 5(b)(ii) to the financial statements.

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

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

Gn Hiang Meng	(appointed as Chairman of the RC on 1 January 2022)
Wee Cho Yaw	
Chew Choon Soo	
Sat Pal Khattar	(resigned as Chairman and member of the RC at the end of 31 December 2021)

- (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 31.12.2021	Aggregate number of shares comprised in options exercised since commencement of scheme to 31.12.2021	Aggregate number of shares comprised in options that have expired since commencement of scheme to 31.12.2021	Aggregate number of shares comprised in options outstanding as at 31.12.2021
Wee Ee Lim	-	48,000	48,000	-	-

DIRECTORS' STATEMENT

For the financial year ended 31 December 2021

Share options (continued)

- (3) No options are granted to contemporaneous controlling members of the Company and/or their associates (as defined in the Listing Manual of Singapore Exchange Securities Trading Limited).
- (4) No participant has received 5% or more of the total number of options available under the 2002 Scheme.
- (5) No options have been granted at a discount to the market price of shares of the Company for the financial year ended 31 December 2021.
- (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.

Audit and Risk Committee

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

Low Weng Keong	(Chairman – appointed as Chairman of the Committee on 23 April 2021)
Gn Hiang Meng	
Chew Choon Soo	(appointed as a member of the Committee on 23 April 2021)

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 2021 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.

DIRECTORS' STATEMENT

For the financial year ended 31 December 2021

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, 25 February 2022

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

For the financial year ended 31 December 2021

Report on the Audit of the Financial Statements

Our opinion

In our opinion, the accompanying consolidated financial statements of Haw Par Corporation Limited (the "Company") and its subsidiaries (the "Group") and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2021 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 2021;
- the consolidated statement of comprehensive income of the Group for the financial year ended 31 December 2021;
- the statements of financial position of the Group and of the Company as at 31 December 2021;
- 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 2021

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 2021. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Ownership and valuation of strategic investments (Note 9 of the financial statements)</p> <p>As at 31 December 2021, the Group's strategic investments, classified as financial assets carried at fair value through other comprehensive income ("FVOCI"), amounted to \$2,528 million (2020: \$2,253 million), representing 77% and 79% (2020: 76% and 78%) 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.

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

For the financial year ended 31 December 2021

Other Information (continued)

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.

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.

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

For the financial year ended 31 December 2021

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

For the financial year ended 31 December 2021

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Choo Eng Beng.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 25 February 2022

CONSOLIDATED INCOME STATEMENT

For the financial year ended 31 December 2021

	Note	The Group	
		2021 \$'000	2020 \$'000
Revenue	3	141,180	111,032
Cost of sales		(67,538)	(62,205)
Gross profit		73,642	48,827
Other income	3	88,288	106,835
Distribution and marketing expenses		(38,343)	(21,019)
General and administrative expenses		(10,602)	(13,878)
Finance expenses		(27)	(76)
Share of profit of associated company		3,222	3,517
Profit before taxation		116,180	124,206
Taxation	6	(6,077)	(4,433)
Profit for the financial year, net of tax		110,103	119,773
Earnings per share attributable to equity holders of the Company	8		
- Basic		49.8 cents	54.2 cents
- Diluted		49.8 cents	54.2 cents

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2021

	The Group	
	2021 \$'000	2020 \$'000
Profit for the financial year, net of tax	110,103	119,773
Other comprehensive income/(loss)		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Currency translation differences on consolidation of foreign entities (net)	201	805
<i>Items that will not be reclassified subsequently to profit or loss:</i>		
Fair value changes on investments (net)	280,913	(326,493)
Other comprehensive income/(loss) for the financial year, net of tax	281,114	(325,688)
Total comprehensive income/(loss) for the financial year	391,217	(205,915)

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2021

	Note	The Group		The Company	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
ASSETS					
Cash and bank balances	13	596,226	554,412	487,058	450,191
Trade and other receivables	13	32,159	14,436	29,634	34,101
Inventories	13	13,175	15,323	–	–
Tax recoverable		523	511	–	–
Deferred income tax assets	6	4,283	3,648	–	–
Associated company	16	13,044	10,222	2,895	2,895
Subsidiaries	16	–	–	562,561	561,696
Investment properties	12	53,070	55,870	–	–
Property, plant and equipment	11	31,984	31,068	–	–
Intangible assets	10	11,116	11,116	–	–
Strategic investments	9	2,527,981	2,252,562	–	–
Total assets		3,283,561	2,949,168	1,082,148	1,048,883
LIABILITIES					
Trade and other payables	13	65,667	56,520	61,092	50,623
Current income tax liabilities		5,524	6,608	544	448
Deferred income tax liabilities	6	894	874	–	–
Total liabilities		72,085	64,002	61,636	51,071
NET ASSETS		3,211,476	2,885,166	1,020,512	997,812
EQUITY					
Equity attributable to equity holders of the Company					
Share capital	14	268,702	267,232	268,702	267,232
Retained profits		1,218,753	1,175,387	751,684	730,454
Other reserves		1,724,021	1,442,547	126	126
Total equity		3,211,476	2,885,166	1,020,512	997,812

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2021

	← Attributable to equity holders of the Company →						
	Share capital \$'000	Statutory reserve ¹ \$'000	Capital reserve \$'000	Fair value reserve \$'000	Foreign currency translation reserve \$'000	Retained profits \$'000	Total equity \$'000
2021							
Balance at 1 January 2021	267,232	2,389	38	1,439,648	472	1,175,387	2,885,166
Issue of share capital	1,470	-	-	-	-	-	1,470
Transfer of cumulative loss on disposal of investments to retained profits	-	-	-	242	-	(242)	-
Transfer from retained profits to statutory reserve	-	118	-	-	-	(118)	-
Dividends paid (Note 7)	-	-	-	-	-	(66,377)	(66,377)
Total comprehensive income for the financial year	-	-	-	280,913	201	110,103	391,217
Balance at 31 December 2021	268,702	2,507	38	1,720,803	673	1,218,753	3,211,476
2020							
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)
Balance at 31 December 2020	267,232	2,389	38	1,439,648	472	1,175,387	2,885,166

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 2021

	Note	The Group	
		2021 \$'000	2020 \$'000
Cash flows from operating activities			
Profit before tax		116,180	124,206
Adjustments for:			
Dividend income	3	(84,909)	(97,937)
Depreciation of property, plant and equipment and investment properties		6,463	6,541
Share of profit of associated company		(3,222)	(3,517)
Interest income	3	(1,659)	(4,712)
Inventories written down	13	399	306
Write-back of unclaimed dividends		(270)	(257)
Finance expenses		27	76
Loss on disposal and write-off of property, plant and equipment		12	11
Allowance for impairment of receivables		-	4
Unrealised currency translation (gains)/losses		(226)	619
Operating profit before working capital changes		32,795	25,340
Decrease in inventories		1,749	4,507
(Increase)/decrease in trade and other receivables		(17,590)	14,410
Increase/(decrease) in trade and other payables		9,863	(7,781)
Cash generated from operations		26,817	36,476
Net taxation paid		(7,976)	(11,448)
Net cash from operating activities		18,841	25,028
Cash flows from investing activities			
Dividend income received		84,909	97,937
Proceeds from disposal of investments	9	5,541	64,049
Purchase of property, plant and equipment		(4,383)	(7,542)
Interest income received		1,512	6,159
Improvements to investment properties		(466)	(1,955)
Dividends from associated company		400	400
Proceeds from disposal of property, plant and equipment		3	-
Purchase of investments		-	(20,962)
Net cash from investing activities		87,516	138,086
Cash flows from financing activities			
Payment of dividends to members of the Company	7	(66,377)	(66,355)
Proceeds from issuance of share capital for share options exercised	14	1,470	1,004
Principal payment of lease liabilities		(175)	(174)
Interest paid on borrowings and lease liabilities		(27)	(82)
Bank deposits pledged		(6)	-
Repayment of borrowings		-	(8,197)
Net cash used in financing activities		(65,115)	(73,804)
Net increase in cash and cash equivalents		41,242	89,310
Cash and cash equivalents at beginning of the financial year		554,204	465,390
Effects of currency translation on cash and cash equivalents		578	(496)
Cash and cash equivalents at end of the financial year	13	596,024	554,204

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

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 2021

2. BASIS OF PREPARATION (CONTINUED)

(a) Impact of COVID-19

The outbreak of more infectious COVID-19 variants around the world has led to renewed lockdowns and dampen economic recovery in certain countries. The Group's operations and financial performance continue to be negatively impacted by the pandemic.

The Group has assessed that the going concern basis used in preparing the financial statements for the year ended 31 December 2021 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 2021

On 1 January 2021, the Group has adopted the new or amended SFRS(I) and Interpretations to SFRS(I) ("INT SFRS(I)") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I)s and INT SFRS(I)s including the following:

- Amendments to SFRS(I) 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 April 2021)

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 2022 or after

Effective for financial periods beginning on or after 1 January 2022

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

The 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 2021

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 2021

3. SEGMENTAL REPORTING (CONTINUED)

(a) Reportable segments

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

3. SEGMENTAL REPORTING (CONTINUED)

(a) Reportable segments (continued)

	Healthcare products \$'000	Investments \$'000	Others ¹ \$'000	Consolidated \$'000
2020				
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 2021

3. SEGMENTAL REPORTING (CONTINUED)

(a) Reportable segments (continued)

Revenue consists of the following:

	The Group	
	2021	2020
	\$'000	\$'000
Sale of goods	124,500	93,297
Rendering of services	212	1,227
Rental income	16,468	16,508
Total revenue	141,180	111,032

(b) Geographical information (excluding strategic investments)

	2021	2020
	\$'000	\$'000
Revenue⁽ⁱ⁾		
Singapore	17,654	23,225
Other ASEAN countries	15,610	16,079
Other Asian countries	50,934	26,397
Other countries	56,982	45,331
Total	141,180	111,032
Non-current assets⁽ⁱⁱ⁾		
Singapore	73,862	74,625
Malaysia	25,187	22,559
Other ASEAN countries	365	955
Other Asian countries	9,800	10,137
Total	109,214	108,276

(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 \$16,468,000 (2020: \$16,508,000) 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 2021

3. SEGMENTAL REPORTING (CONTINUED)

(c) Major customers

Revenue of approximately \$46,366,000 (2020: \$22,776,000) was contributed from two external customers (2020: one external customer). 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 \$65,000 (2020: \$2,453,000) was recognised during the financial year under the Jobs Support Scheme ("JSS"). The JSS is a temporary scheme first introduced by the Singapore Government in 2020 to provide wage support to help employers retain local employees. The scheme had been extended up to 2021.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

(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.

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	EUR \$'000	Others \$'000	Total \$'000
Group				
<u>At 31 December 2021</u>				
Cash and cash equivalents and financial assets (FVOCI)	73,363	12,067	8,756	94,186
Currency exposure on financial assets and liabilities	73,363	12,067	8,756	94,186
Group				
<u>At 31 December 2020</u>				
Cash and cash equivalents and financial assets (FVOCI)	69,017		7,246	76,263
Currency exposure on financial assets and liabilities	69,017		7,246	76,263

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Foreign currency risk (continued)

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:

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

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

A 10% (2020: 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 \$'000	EUR \$'000	Others \$'000	Total \$'000
Group				
<u>At 31 December 2021</u>				
Profit or loss, after tax	5,716	913	663	7,292
Other comprehensive income	442	–	–	442

	USD \$'000	Others \$'000	Total \$'000
<u>At 31 December 2020</u>			
Profit or loss, after tax	4,577	520	5,097
Other comprehensive income	410	–	410

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Foreign currency risk (continued)

Company

At 31 December 2021

Profit or loss, after tax

USD \$'000	Others \$'000	Total \$'000
2,047	-	2,047

At 31 December 2020

Profit or loss, after tax

CAD \$'000	Others \$'000	Total \$'000
30	-	30

A 10% (2020: 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

(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 2021 and 2020, the Group did 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	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Financial Assets					
Strategic investments (FVOCI)	9	2,527,981	2,252,562	-	-
Cash and bank balances and trade and other receivables (Amortised cost)		625,029	568,575	516,675	484,279
		3,153,010	2,821,137	516,675	484,279
Financial Liabilities					
Trade and other payables (Amortised cost)		65,667	56,520	61,092	50,623

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

5. EXPENSES

(a) Breakdown by expenses

	The Group	
	2021 \$'000	2020 \$'000
Purchase of inventories	33,200	29,927
Changes in inventories	1,749	4,507
	34,949	34,434
Sales and marketing expenses	32,149	14,721
Employee costs (Note 5(b))	25,652	22,714
Depreciation		
– property, plant and equipment (Note 11)	3,803	3,974
– investment properties (Note 12)	2,660	2,567
Repair and maintenance	1,696	1,812
Utilities	1,759	1,988
Property tax	2,078	2,056
Professional and legal fees	909	695
Auditors' remuneration:		
– Auditor of the Company:		
– audit fees	296	288
– non-audit fees	4	4
– Other auditors:		
– audit fees	26	31
– non-audit fees	6	4
– overprovision of audit fees in respect of prior year	(15)	–
Trademark expenses	275	156
Inventories written down	399	306
Finance expense		
– borrowings	–	46
– lease liabilities	27	30
Loss on disposal and write-off of property, plant and equipment	12	11
Foreign exchange (gain)/loss, net	(921)	2,349

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

5. EXPENSES (CONTINUED)

(b) Employee benefits

(i) Employee costs (including Executive Directors)

	The Group	
	2021 \$'000	2020 \$'000
Salaries and other short-term employee benefits (including directors' fees)	23,316	21,057
- Key management	4,238	4,044
- Other employees	19,078	17,013
Employer's contribution to Central Provident Fund and other defined contribution plans	2,336	1,657
- Key management	84	87
- Other employees	2,252	1,570
	25,652	22,714

Total compensation to Directors of the Company included in the above amounted to \$2,471,000 (2020: \$2,697,000).

- (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	
	2021	2020
Under 2002 Scheme:		
Outstanding at beginning of the financial year	177,000	296,000
Cancelled/Expired/Not accepted	-	-
Exercised	(156,000)	(119,000)
Outstanding at end of the financial year	21,000	177,000
Exercisable at end of the financial year	21,000	177,000

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

5. EXPENSES (CONTINUED)

(b) Employee benefits (continued)

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

Date of grant	Number of shares covered by the options				Balance at end of financial year	Exercise price	Exercise period
	Balance at beginning of financial year	Granted during financial year	Cancelled/Expired/Not Accepted	Exercised			
2021							
4.3.2016	43,000	-	-	(43,000)	-	\$8.00	4.3.2017 – 3.3.2021
1.3.2017	134,000	-	-	(113,000)	21,000	\$9.96	1.3.2018 – 28.2.2022
	177,000	-	-	(156,000)	21,000		
2020							
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
	296,000	-	-	(119,000)	177,000		

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

(c) Related parties transactions

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

6. TAXATION

(a) Tax expense

Tax expense attributable to profit is made up of:

Current taxation

Current year:

- Singapore
- Overseas

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

- Singapore
- Overseas

Deferred taxation

Origination and reversal of temporary differences:

- Singapore
- Overseas

Under provision in respect of previous years:

- Singapore
- Overseas

The Group	
2021	2020
\$'000	\$'000
5,417	3,825
1,525	1,696
6,942	5,521
5	(103)
(13)	529
(8)	426
50	(78)
(989)	(1,615)
(939)	(1,693)
75	5
7	174
82	179
6,077	4,433

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

6. TAXATION (CONTINUED)

(a) Tax expense (continued)

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

	2021 \$'000	2020 \$'000
Profit before taxation	116,180	124,206
Share of profit of associated company	(3,222)	(3,517)
Profit before taxation and share of profit of associated company	112,958	120,689
Taxation at applicable Singapore tax rate of 17% (2020: 17%)	19,203	20,517
Adjustments:		
- Tax rate difference in foreign subsidiaries	157	87
- Withholding taxes	201	446
- Tax effect of expenses not deductible for tax purposes	983	1,053
- Tax effect of income not subject to tax	(14,619)	(17,626)
- Tax rebates, exemptions and incentives	(166)	(826)
- Utilisation of previously unrecognised deferred taxes	(2)	(2)
- Deferred income tax asset not recognised	246	179
- Under provision in respect of previous years	74	605
Taxation expense	6,077	4,433

(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	
	2021 \$'000	2020 \$'000
Deferred tax liabilities	894	874
Deferred tax assets	(4,283)	(3,648)
	(3,389)	(2,774)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

6. TAXATION (CONTINUED)

(b) Deferred tax (continued)

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

The Group	Deferred income tax liabilities		Deferred income tax assets			
	Accelerated tax depreciation	Total	Provisions	Others	Total	Net
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2021						
Beginning of financial year	1,080	1,080	(3,782)	(72)	(3,854)	(2,774)
Charged/(credited) to profit or loss	59	59	476	(1,392)	(916)	(857)
Currency translation differences	(7)	(7)	248	1	249	242
End of financial year	1,132	1,132	(3,058)	(1,463)	(4,521)	(3,389)
2020						
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	1,080	1,080	(3,782)	(72)	(3,854)	(2,774)

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 \$24.7 million (2020: \$23.4 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 \$2.2 million which will expire between 2022 and 2026 (2020: \$0.9 million which will expire between 2021 and 2025).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

7. DIVIDENDS

Ordinary dividends paid:

Final exempt 2020 dividend of 15 cents per share
(2020: Final exempt 2019 dividend of 15 cents per share)
Interim exempt 2021 dividend of 15 cents per share
(2020: Interim exempt 2020 dividend of 15 cents per share)

Dividend per share (net of tax)

The Group	
2021	2020
\$'000	\$'000
33,188	33,177
33,189	33,178
66,377	66,355
30 cents	30 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 2021 (2020: 15 cents per share, amounting to approximately \$33.2 million). These financial statements do not reflect the proposed final tax exempt dividends, which will be accounted for in the shareholders' equity as an appropriation of retained profits in the financial year ending 31 December 2022.

In accordance with the Constitution of the Company, unclaimed dividends outstanding for more than 6 years of about \$270,000 (2020: \$257,000) were written back.

8. EARNINGS PER SHARE

Earnings for the financial year

Weighted average number of ordinary shares for calculation of basic earnings per share

Dilution adjustment for share options

Adjusted weighted average number of shares for calculation of diluted earnings per share

Earnings per share attributable to equity holders of the Company

- Basic
- Diluted

The Group	
2021	2020
\$'000	\$'000
110,103	119,773
221,273	221,165
20	15
221,293	221,180
49.8 cents	54.2 cents
49.8 cents	54.2 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 2021

9. STRATEGIC INVESTMENTS

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

	The Group	
	2021 \$'000	2020 \$'000
Singapore listed equity securities		
– United Overseas Bank Limited	2,013,480	1,690,874
– UOL Group Limited	510,077	554,024
	2,523,557	2,244,898
Others	4,424	7,664
	2,527,981	2,252,562

- (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 change by 10% (2020: 20%) with all other variables including tax rate being held constant, the Group's equity and other comprehensive income will be affected by:

	2021	2020
	\$'000	\$'000
<u>Listed in Singapore</u>		
– increased by	252,356	449,693
– decreased by	(252,356)	(449,693)

- (b) During the financial year, the Group disposed of an equity investment in a listed company that was compulsorily acquired by its majority shareholder and privatised. The investment had a fair value of approximately \$5,541,000 at the date of disposal. The cumulative loss on disposal of \$242,000 was reclassified from fair value reserve to retained profits.

In 2020, 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.

- (c) The Group holds a 10% interest in a company, Hua Han Health Industry Holdings Limited ("Hua Han"), which was previously listed on Hong Kong Stock Exchange ("HKSE") but trading in its shares had been suspended since September 2016. In 2019, provisional liquidators were appointed and the Hong Kong High Court ordered that the company be wound up. During the 2020 financial year, the HKSE informed Hua Han that its Listing Committee had decided to cancel the Hua Han's listing and the listing of its shares was cancelled on 16 December 2020. As at 31 December 2021, the liquidation is still ongoing.

Due to the prolonged lack of clarity on its financial status and based on the latest available public information, management has continued to assess the fair value of this investment to be nil (2020: nil).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

10. INTANGIBLE ASSETS

	The Group		The Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Goodwill on consolidation	11,116	11,116	-	-
Trademarks	-	-	-	-
	11,116	11,116	-	-

(a) Goodwill on consolidation

	The Group	
	2021 \$'000	2020 \$'000
Cost		
Balance at beginning and end of financial year	11,116	11,116

Impairment test for goodwill

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

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

Key assumptions used for value-in-use calculations:

Discount rate	13.6% (2020: 8.0%) per annum
Growth rate	0.0% (2020: 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 2021

11. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings \$'000	Plant and equipment \$'000	Assets under construction \$'000	Total \$'000
<u>The Group</u>				
<i>Cost</i>				
At 1 January 2021	38,452	40,104	–	78,556
Additions	306	570	3,554	4,430
Disposals/write-offs	–	(326)	–	(326)
Currency translation differences	(353)	209	(9)	(153)
At 31 December 2021	38,405	40,557	3,545	82,507
<i>Accumulated depreciation</i>				
At 1 January 2021	19,741	27,747	–	47,488
Depreciation charge for the year	1,055	2,748	–	3,803
Disposals/write-offs	–	(311)	–	(311)
Currency translation differences	(630)	173	–	(457)
At 31 December 2021	20,166	30,357	–	50,523
Net book value				
At 31 December 2021	18,239	10,200	3,545	31,984

	Land and buildings \$'000	Plant and equipment \$'000	Total \$'000
<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
Net book value			
At 31 December 2020	18,711	12,357	31,068

Included in land and buildings is freehold land amounting to \$7,632,000 (2020: \$7,038,000).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

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 2021	1,781	–	1,781
Additions	–	47	47
Currency translation differences	48	–	48
Depreciation expense	(182)	(24)	(206)
At 31 December 2021	1,647	23	1,670
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	1,781	–	1,781

- (ii) Expenses relating to short-term and low-value leases not recognised as right-of-use assets and lease liabilities amounted to \$168,000 (2020: \$197,000) and \$30,000 (2020: \$25,000) respectively. Total cash outflow for all leases was \$400,000 (2020: \$426,000).
- (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 2021

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	
	2021 \$'000	2020 \$'000
<i>Cost</i>		
Beginning of financial year	126,489	124,197
Improvements	113	2,044
Currency translation differences	(500)	248
End of financial year	126,102	126,489
<i>Accumulated depreciation and impairment losses</i>		
Beginning of financial year	70,619	67,934
Depreciation charge for the year	2,660	2,567
Currency translation differences	(247)	118
End of financial year	73,032	70,619
<i>Net book value</i>		
As at 31 December	53,070	55,870
At valuation:		
Freehold properties	35,013	35,598
Leasehold properties	180,500	181,800

(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% (2020: 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 2021

12. INVESTMENT PROPERTIES (CONTINUED)

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

	The Group	
	2021 \$'000	2020 \$'000
Rental income (Note 3)	16,468	16,508
Direct operating expenses arising from investment properties that generated rental income	(7,195)	(7,312)

(c) Certain investment properties with a carrying value of \$40,068,000 (2020: \$42,009,000) and fair value of \$180,500,000 (2020: \$181,800,000) are pledged to the banks as security for bank credit facilities. As at 31 December 2021, the credit facilities are not utilised.

(d) The details of the Group's investment properties as at 31 December 2021 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 10,170 square metres.	99-year lease from 1 September 1952	Edmund Tie & Company (SEA) Pte Ltd
Haw Par Technocentre 401 Commonwealth Drive Singapore 149598	7-storey industrial building on a land area of 8,131 square metres. The lettable area is 15,707 square metres.	99-year lease from 1 March 1963	Edmund Tie & Company (SEA) Pte Ltd
Menara Haw Par Lot 242, Jalan Sultan Ismail, 50250 Kuala Lumpur Malaysia	32-storey office building on a land area of 2,636 square metres and a parcel of commercial land of 1,294 square metres. The lettable area of the building is 16,131 square metres.	Freehold	Nawawi Tie Leung Property Consultants Sdn Bhd

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

12. INVESTMENT PROPERTIES (CONTINUED)

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

	The Group	
	2021 \$'000	2020 \$'000
Less than one year	13,884	15,808
One to two years	7,576	10,328
Two to three years	3,146	3,693
Three to four years	1,638	210
Four to five years	1,443	-
After five years	1,434	-
Total undiscounted lease payment	29,121	30,039

13. WORKING CAPITAL BALANCES

(a) Cash and bank balances

	The Group		The Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Short term bank deposits	573,939	523,281	484,790	446,000
Cash at bank and on-hand	22,287	31,131	2,268	4,191
	596,226	554,412	487,058	450,191

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 \$31,441,000 (2020: \$15,261,000) 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	
	2021 \$'000	2020 \$'000
Cash and bank balances (as above)	596,226	554,412
Less: Bank deposits pledged for banking facilities	(202)	(208)
Cash and cash equivalents per consolidated statement of cash flows	596,024	554,204

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

13. WORKING CAPITAL BALANCES (CONTINUED)

(b) Trade and other receivables

	The Group		The Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Trade receivables	25,658	11,399	2,609	2,251
Advances to subsidiaries	–	–	26,472	31,422
Other receivables	6,501	3,037	553	428
	32,159	14,436	29,634	34,101

The Group's other receivables mainly comprise other debtors and deposits of approximately \$2,720,000 (2020: approximately \$2,486,000).

As at 1 January 2020, the Group and the Company's trade receivables amounted to \$24,284,000 and \$4,630,000 respectively.

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

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

(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
The Group				
Expected loss rate	–%	–%	1%	
2021				
Gross carrying amount	24,785	873	–	25,658
Loss allowance provision	–	–	–	–
Expected loss rate	–%	–%	1%	
2020				
Gross carrying amount	11,311	44	48	11,403
Loss allowance provision	–	–	(4)	(4)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

13. WORKING CAPITAL BALANCES (CONTINUED)

(b) Trade and other receivables (continued)

(i) Credit risk (continued)

In 2020, loss allowance provision includes a specific provision for one debtor amounting to approximately \$4,000. This specific provision amount has been written off in 2021.

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 2021 and 2020 in relation to each class of recognised financial assets is the carrying amount of those assets as indicated in the statements of financial position.

(c) Inventories

Manufacturing stocks
Work in progress
Finished stocks

The Group	
2021	2020
\$'000	\$'000
8,060	9,922
2,354	1,427
2,761	3,974
13,175	15,323

The cost of inventories recognised as expense and included in "Cost of sales" amounted to \$34,949,000 (2020: \$34,434,000) (Note 5).

During the financial year, the Group recognised inventories write down of \$399,000 (2020: \$306,000). The inventories written down have been included in "Cost of sales" in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

13. WORKING CAPITAL BALANCES (CONTINUED)

(d) Trade and other payables

	The Group		The Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Trade payables	3,342	2,806	-	-
Other payables and accruals	61,563	52,822	4,869	4,559
Lease liabilities (Note 13(d)(i))	762	892	-	-
Advances from subsidiaries	-	-	56,223	46,064
	65,667	56,520	61,092	50,623

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

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

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

The Group does not have any material financial liabilities, maturing more than 12 months from 31 December 2021.

(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	
	2021 \$'000	2020 \$'000
<u>Lease liability</u>		
Beginning of financial year	892	940
Additions during the year	47	124
Principal and interest payment	(202)	(204)
Interest expense	27	30
Effects of changes in foreign exchange rates	(2)	2
End of financial year	762	892

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

13. WORKING CAPITAL BALANCES (CONTINUED)

(e) Borrowings

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

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

The borrowings were fully repaid in 2020.

(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
<u>Borrowings</u>	
Beginning of financial year	7,822
Repayment of borrowings	(8,197)
Effects of changes in foreign exchange rates	375
End of financial year	-

14. SHARE CAPITAL

	The Group and the Company			
	2021		2020	
	Number of shares '000	Amount \$'000	Number of shares '000	Amount \$'000
Beginning of financial year	221,191	267,232	221,072	266,228
Issue of ordinary shares by virtue of exercise of share options (Note 5(b)(ii))	156	1,470	119	1,004
End of financial year	221,347	268,702	221,191	267,232

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 2021

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 2020.

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 2021 and 2020.

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	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Property, plant and equipment	24,281	474	-	-

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	
	2021 \$'000	2020 \$'000
Equity investments at cost:		
Unquoted, at written down cost	601,155	601,155
Allowance for impairment in value	(38,594)	(39,459)
	562,561	561,696

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

16. SUBSIDIARIES AND ASSOCIATED COMPANY (CONTINUED)

(a) Investment in subsidiaries (continued)

Significant subsidiaries in the Group

Name of Company	Country of incorporation	Principal activities	Effective equity interest held by Group	
			2021 %	2020 %
SUBSIDIARIES				
Healthcare products				
Haw Par Healthcare Limited	Singapore	Manufacturing, marketing and distributing healthcare products	100.0	100.0
* Tiger Balm (Malaysia) Sdn. Bhd. +	Malaysia	Manufacturing, marketing and distributing pharmaceutical products	100.0	100.0
* Xiamen Tiger Medicals Co., Ltd. ++	The People's Republic of China	Manufacturing, marketing and distributing pharmaceutical products	100.0	100.0
Leisure products and services				
Haw Par Leisure Pte Ltd	Singapore	Investment holding	100.0	100.0
* Underwater World Pattaya Ltd +	Thailand	Owning and operating oceanarium	100.0	100.0
Property				
Haw Par Properties (Singapore) Private Limited	Singapore	Property development and owning and letting properties	100.0	100.0
Haw Par Centre Private Ltd	Singapore	Property development and owning and letting properties	100.0	100.0
Setron Pte. Ltd.	Singapore	Property development and owning and letting properties	100.0	100.0
Haw Par Land (Malaysia) Sdn. Bhd. +	Malaysia	Investment in properties and letting out of office space	100.0	100.0

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

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	
			2021 %	2020 %
Investments				
Haw Par Capital Pte Ltd	Singapore	Investment holding	100.0	100.0
Haw Par Equities Pte Ltd	Singapore	Investment holding	100.0	100.0
Haw Par Investment Holdings Private Limited	Singapore	Investment holding	100.0	100.0
Haw Par Pharmaceutical Holdings Pte. Ltd.	Singapore	Investment holding	100.0	100.0
Haw Par Securities (Private) Limited	Singapore	Investment holding	100.0	100.0
Haw Par Trading Pte Ltd	Singapore	Investment holding	100.0	100.0
M & G Maritime Services Pte. Ltd.	Singapore	Investment holding	100.0	100.0
Pickwick Securities Private Limited	Singapore	Investment holding	100.0	100.0
Straits Maritime Leasing Private Limited	Singapore	Investment holding	100.0	100.0
Haw Par Brothers International (H.K.) Limited ++	Hong Kong	Investment holding and licensing of "Kwan Loong" trademark	100.0	100.0
Haw Par Management Services Pte. Ltd.	Singapore	Provision of management support services	100.0	100.0

Notes

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

16. SUBSIDIARIES AND ASSOCIATED COMPANY (CONTINUED)

(b) Investment in an associated company

	The Group		The Company	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Investment in an associated company	13,044	10,222	2,895	2,895

Name of associated company	Country of incorporation	Principal activities	Effective equity interest held by Group	
			2021	2020
			%	%
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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

17. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Revenue and other income recognition (continued)

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

17. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Employee benefits (continued)

(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 2021

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 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 2021

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)(1)) 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

17. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

(i) Measurement (continued)

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.

(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 2021

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 2021

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 2021

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

(1) *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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

17. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Leases (continued)

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

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).

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.

(2) *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 2021

17. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(I) 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

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 25 February 2022.

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

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

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

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 2021

HEALTHCARE PRODUCTS

Tiger Balm Brand Products

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

Kwan Loong Brand Products

Kwan Loong Medicated Oil
 Kwan Loong Refresher

LEISURE FACILITY

Underwater World Pattaya*
 22/22 Moo 11
 Sukhumvit Road
 Nongprue, Banglamung
 Chonburi 20150
 Thailand
 · Aquarium building
 · Leasehold
 Remaining Lease: 10 years

PROPERTIES

Haw Par Centre
 180 Clemenceau Avenue
 Singapore 239922
 · Six-storey commercial building
 · Leasehold
 Remaining Lease: 30 years

Haw Par Glass Tower
 178 Clemenceau Avenue
 Singapore 239926
 · Eight-storey commercial building with basement
 · Leasehold
 Remaining Lease: 48 years

Haw Par Technocentre
 401 Commonwealth Drive
 Singapore 149598
 · Seven-storey industrial building
 · Leasehold
 Remaining Lease: 41 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: 8 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: 37 years

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

STATISTICS OF SHAREHOLDINGS

As at 7 March 2022

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	9,217	46.90	277,584	0.12
100 – 1,000	5,823	29.63	2,349,098	1.06
1,001 – 10,000	4,007	20.39	12,082,408	5.46
10,001 – 1,000,000	591	3.01	24,283,787	10.97
1,000,001 AND ABOVE	14	0.07	182,375,296	82.39
TOTAL	19,652	100.00	221,368,173	100.00

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	WEE INVESTMENTS PTE LTD	62,907,926	28.42
2	DBSN SERVICES PTE. LTD.	25,980,910	11.74
3	RAFFLES NOMINEES (PTE.) LIMITED	19,446,315	8.78
4	TYE HUA NOMINEES PRIVATE LIMITED	17,435,534	7.88
5	UOB KAY HIAN PRIVATE LIMITED	15,446,880	6.98
6	HSBC (SINGAPORE) NOMINEES PTE LTD	11,856,394	5.36
7	CITIBANK NOMINEES SINGAPORE PTE LTD	11,814,310	5.34
8	UNITED OVERSEAS INSURANCE LIMITED – SHF	4,274,600	1.93
9	DBS NOMINEES (PRIVATE) LIMITED	3,661,006	1.65
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	1,545,520	0.70
14	WEE CHO YAW	1,092,373	0.49
15	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	920,244	0.42
16	PHILLIP SECURITIES PTE LTD	773,685	0.35
17	MERRILL LYNCH (SINGAPORE) PTE. LTD.	723,434	0.33
18	SINGAPORE REINSURANCE CORPORATION LTD – SHAREHOLDERS	675,000	0.30
19	THIA CHENG SONG	602,000	0.27
20	HO HAN LEONG CALVIN	550,440	0.25
	TOTAL	186,619,374	84.31

FREE FLOAT

Based on the information available to the Company as at 7 March 2022, approximately 37.14% 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 7 March 2022

SUBSTANTIAL SHAREHOLDERS AS AT 7 MARCH 2022

	No. of Shares held			
	Direct	Deemed	Total	%
Wee Cho Yaw	1,092,373	79,605,330	80,697,703	36.45 ^{(1), (2), (3)}
Wee Ee Cheong	128,857	76,678,311	76,807,168	34.70 ^{(1), (2), (4)}
Wee Ee Lim	437,192	75,001,217	75,438,409	34.08 ⁽¹⁾
Wee Ee-chao	13,826	75,134,135	75,147,961	33.95 ^{(1), (5)}
Wee Investments Private Limited	62,907,926	–	62,907,926	28.42
Supreme Island Corporation	12,085,601	–	12,085,601	5.46
First Eagle Investment Management, LLC	–	21,488,504	21,488,504	9.71 ⁽⁷⁾
United Overseas Bank Limited	–	21,708,537	21,708,537	9.81 ⁽⁸⁾
Kayne Anderson Rudnick Investment Management, LLC	–	13,862,750	13,862,750	6.26 ⁽⁹⁾
Virtus Investment Advisers, Inc.	–	11,768,586	11,768,586	5.32 ⁽¹⁰⁾
Virtus Opportunities Trust	–	11,325,986	11,325,986	5.12 ⁽¹¹⁾

- (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 21,488,504 shares amounting to a shareholding of 9.71%.
- (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, holding the shares on behalf of its clients. KAR holds 13,862,750 shares amounting to a shareholding of 6.26%.
- (10) Virtus Investment Advisers, Inc. (“VIA”), a U.S. registered investment adviser, is the investment manager of a number of funds and accounts including those of KAR that hold voting shares in the issuer. VIA does not directly hold any voting shares in the issuer.
- (11) Virtus Opportunities Trust (“VOT”), an open-end management investment company which holds a number of funds and accounts including those of KAR that hold voting shares in the issuer. VOT 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-Third Annual General Meeting (the “**53rd AGM**”) of Haw Par Corporation Limited (the “**Company**”) will be convened and held by way of electronic means on **Wednesday, 27 April 2022 at 2.00 p.m.** to transact the following business:

AS ORDINARY BUSINESS

- Resolution 1** To receive and adopt the Directors’ Statement and Audited Financial Statements for the financial year ended 31 December 2021 (“**FY2021**”) 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 FY2021.
- Resolution 3** To re-elect Dr Wee Cho Yaw, 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 Chew Choon Soo, who is retiring by rotation pursuant to Article 94 of the Company’s Constitution, and who, being eligible, offers himself for re-election.
- Resolution 5** To re-elect Mr Ong Sim Ho, who is retiring by rotation pursuant to Article 100 of the Company’s Constitution, and who, being eligible, offers himself for re-election.
- Resolution 6** To approve Directors’ fees of \$546,000 for FY2021 (FY2020: \$583,000).
- Resolution 7** 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 8** That authority be and is hereby given to the directors of the Company (“**Directors**”) to:
- (a) (i) issue shares of the Company (“**shares**”) (whether by way of rights, bonus or otherwise); and/or
 - (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

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

NOTICE OF ANNUAL GENERAL MEETING

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

provided that:

- (1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed fifty per cent (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro-rata basis to shareholders of the Company ("**Shareholders**") (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed fifteen per cent (15%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**")) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed after adjusting for:
 - (i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which were issued and are outstanding or subsisting at the time this Resolution is passed; and
 - (ii) any subsequent bonus issue 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 13 September 2021 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 FY2021 will be 30 Singapore cents per ordinary share (FY2020: 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 **10 May 2022 at 5.00 p.m.**, and the proposed One-Tier Tax-Exempt Second and Final Dividend will be payable on **26 May 2022**.

Duly completed transfers received in respect of ordinary shares of the Company by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd at 1 Harbourfront Avenue, Keppel Bay Tower, #14-07, Singapore 098632 up to **5.00 p.m. on **10 May 2022** 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 **10 May 2022** will be entitled to such proposed dividend.*

Resolution 3 Dr Wee Cho Yaw is the Non-Executive and Non-Independent Chairman of the Company. He will upon re-election, continue as the Chairman of the Board and the Investment Committee and continue as a member of the Nominating Committee and the Remuneration Committee.

Resolution 4 Mr Chew Choon Soo is a Non-Executive and Independent Director. He will upon re-election, continue as a member of the Audit and Risk Committee, the Nominating Committee and the Remuneration Committee.

Resolution 5 Mr Ong Sim Ho is a Non-Executive and Independent Director.

Please refer to the 'Board of Directors' section and the 'Additional Information on Directors Seeking Re-election' section of the Company's Annual Report 2021 for information on the current directorships in other listed companies, and principal commitments of these Directors. The Company's Annual Report 2021 is available at www.hawpar.com/AR2021.

Resolution 7 The Audit and Risk Committee undertook a review of the fees and expenses of the audit and non-audit services provided by the external auditor, PricewaterhouseCoopers LLP. It assessed whether the nature and extent of the non-audit services might prejudice the independence and objectivity of the external auditor before confirming its re-nomination. It was satisfied that such services did not affect the independence of the external auditor.

NOTICE OF ANNUAL GENERAL MEETING

Resolution 8 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 53rd 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 8 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.

IMPORTANT NOTES FOR MEMBERS

The 53rd AGM of the Company is being convened, and will be held, wholly 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 and the Joint Statement of the Accounting and Corporate Regulatory Authority, Monetary Authority of Singapore, Singapore Exchange Regulation ("SGX RegCo") issued on 4 February 2022 titled "Guidance on the Conduct of General Meetings Amid Evolving COVID-19 Situation". Accordingly, the Notice of 53rd AGM will be published on SGXNET and made available on the SGX website at www.sgx.com as well as on the Company's corporate website at www.hawpar.com/agm2022.

In view thereof, Shareholders will not be able to attend the 53rd AGM in person. Shareholders should take note of the following arrangements for the 53rd AGM:

- (1) **Attendance in Person:** The 53rd AGM will be conducted only by electronic means and Shareholders will not be able to physically attend the 53rd AGM. The proceedings of the 53rd 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 53rd 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 1967 (2020 Revised Edition) or through depository agents (as defined in Section 81SF of the Securities and Futures Act 2001 (2020 Revised Edition) together, "**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 53rd AGM through the Webcast, must **pre-register online** at <https://online.meetings.vision/hawpar-agm-registration> **by 24 April 2022, 2.00 p.m.** for verification purposes. Following successful verification, details on how to join the Webcast will be sent to you before the 53rd AGM. Please use the provided access and/or identification credentials to access the Webcast.

NOTICE OF ANNUAL GENERAL MEETING

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 53rd AGM proceedings. Please contact the Company at 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 53rd AGM **by 13 April 2022** (at least 7 calendar days after the publication of the Notice of 53rd AGM) via electronic mail to agm@hawpar.com or by post addressed to **401 Commonwealth Drive #03-03 Haw Par Technocentre Singapore 149598 (Attn: Chief Financial Officer)**. In view of the current COVID-19 situation, Shareholders are strongly encouraged to submit questions electronically by e-mail. The Company will respond to substantial and relevant questions by **22 April 2022, 2.00 p.m.** by way of the release of the relevant announcement to SGXNET at www.sgx.com and the Company’s corporate website at www.hawpar.com/agm2022.
- (4) **Voting Solely via Appointing Chairman as Proxy (Submit a Proxy Form):** Shareholders will only be able to vote at the 53rd 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, **HAW PAR CORPORATION LIMITED, c/o Trusted Services Pte. Ltd., 456 Alexandra Road #14-01, Fragrance Empire Building, Singapore 119962** or (ii) via electronic mail to proxyform@trustedservices.com.sg, and must be received by the Company by **24 April 2022, 2.00 p.m.** (being 72 hours before the time appointed for the holding of the 53rd AGM). Proxy Forms can be downloaded from SGXNET at www.sgx.com and the Company’s corporate website at www.hawpar.com/agm2022. 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 53rd AGM. If no specific direction as to voting is given in respect of a resolution, the appointment of the Chairman of the Meeting as his/her/its proxy to vote on 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.
- (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 or depository agent 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 18 April 2022), to ensure that their votes are submitted.

Documents and information relating to the 53rd AGM (including the Annual Report and Proxy Form) have been published on SGXNET at www.sgx.com and the Company’s corporate website at www.hawpar.com/AR2021 and www.hawpar.com/agm2022.

NOTICE OF ANNUAL GENERAL MEETING

PERSONAL DATA PRIVACY:

Where a member of the Company submits (a) an application to pre-register to participate in the 53rd AGM via the Webcast, (b) questions relating to the resolutions to be tabled for approval at the 53rd AGM, and/or (c) a Proxy Form to vote at the 53rd 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 53rd 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 53rd 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 53rd AGM) of the proxy appointed for the 53rd 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 53rd 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 53rd 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. In the event that such measures or arrangements are adopted, the Company will make announcements on SGXNET at www.sgx.com and the Company's corporate website at www.hawpar.com/agm2022 as appropriate. Shareholders are advised to check SGXNET and the Company's corporate website regularly for further updates.

By Order of the Board

Chow Say Suan
Chief Financial Officer

Singapore
6 April 2022

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Each of Dr Wee Cho Yaw, Mr Chew Choon Soo and Mr Ong Sim Ho 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 judgment 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, judgment 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, judgment 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?

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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 1967 (2020 Revised Edition) or depository agents (as defined in Section 81SF of the Securities and Futures Act 2001 (2020 Revised Edition) (together, "Relevant Intermediaries"), 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 53rd Annual General Meeting (i.e. by 18 April 2022) 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 53rd Annual General Meeting dated 6 April 2022.

FIFTY-THIRD 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	
Total	

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 vote for ***me/us** on ***my/our** behalf at the 53rd Annual General Meeting ("**AGM**") of the Company to be held by way of electronic means on **Wednesday, 27 April 2022 at 2.00 p.m.** and at any adjournment thereof. ***I/We** direct ***my/our** proxy to vote for or vote against (or to abstain from voting on) the resolutions to be proposed at the AGM (all the Resolutions Nos. 1 to 8 will be proposed as Ordinary Resolutions), as indicated below. If no specific direction as to voting is given in respect of a resolution, the appointment of the Chairman of the AGM as ***my/our** proxy to vote on that resolution will be treated as invalid.

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

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

* Delete as appropriate.

Dated this _____ day of _____ 2022



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/its proxy to attend, speak and vote on behalf of him/her/it at the AGM in respect of all the shares of the Company ("shares") held by him/her/it. 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. If no specific direction as to voting is given in respect of a resolution, the appointment of the Chairman of the AGM as his/her/its proxy to vote on 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/its name in the Depository Register (maintained by The Central Depository (Pte) Limited), he/she/it should insert that number of shares. If the member only has shares registered in his/her/its name in the Register of Members (maintained by or on behalf of the Company), he/she/it should insert that number of shares. If the member has shares entered against his/her/its name in the Depository Register and shares registered in his/her/its name in the Register of Members, he/she 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 1967 (2020 Revised Edition) or depository agents (as defined in Section 81SF of the Securities and Futures Act 2001 (2020 Revised Edition) (together, "Relevant Intermediaries"), 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 their 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 **18 April 2022**), to ensure their votes are submitted.
4. This instrument appointing a proxy must be deposited with the Company (i) via post to **HAW PAR CORPORATION LIMITED, c/o Trusted Services Pte. Ltd., 456 Alexandra Road #14-01, 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 **24 April 2022, 2.00 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 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. Any alteration made in this instrument appointing a proxy must be initialled by the person who signs it.
7. The Company shall be entitled to reject an instrument appointing a 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 a proxy lodged if such member, being the appointor, is not shown to have shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

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2nd fold

PROXY FORM

Please
affix postage
stamp

Haw Par Corporation Limited
c/o **Trusted Services Pte. Ltd.**,
456 Alexandra Road #14-01,
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

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Singapore 149598
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