

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

**MINUTES OF THE 54TH ANNUAL GENERAL MEETING OF HAW PAR CORPORATION LIMITED (THE “COMPANY”) HELD AT PARKROYAL ON BEACH ROAD, GRAND BALLROOM, LEVEL 1, 7500 BEACH ROAD, SINGAPORE 199591 ON TUESDAY, 25 APRIL 2023 AT 2.00 P.M.**

---

**PRESENT**

Shareholders/proxies

As per attendance record maintained by the Company.

Board of Directors

Mr Wee Ee-chao (Deputy Chairman, Non-Executive and Non-Independent)  
Mr Wee Ee Lim (President & CEO)  
Mr Gn Hiang Meng (Non-Executive and Independent Director)  
Mr Chew Choon Soo (Non-Executive and Independent Director)  
Mr Low Weng Keong (Non-Executive and Independent Director)  
Mr Ong Sim Ho (Non-Executive and Independent Director)

Absent with apologies:

Dr Wee Cho Yaw (Chairman, Non-Executive and Non-Independent)

In Attendance

Mr Paul Chow (Chief Financial Officer)  
Mr Alvin Chiew (Company Secretary)

By Invitation

As per attendance record maintained by the Company.

**CHAIRMAN OF THE MEETING:** Mr Wee Ee-chao

---

**Commencement of the Annual General Meeting**

Mr Wee Ee-chao welcomed shareholders to the 54th Annual General Meeting of the Company (“AGM” or “Meeting”). He informed the Meeting that the Chairman of the Company, Dr Wee Cho Yaw was not attending the AGM. In the physical absence of the Chairman of the Company, the Board had proposed Mr Wee Ee-chao to chair the Meeting, pursuant to Article 58 of the Company’s Constitution.

**Quorum**

As there was a quorum, the Meeting was called to order at 2.00 p.m. with Mr Wee Ee-chao as Chairman of the Meeting.

## **Notice**

The Notice of AGM dated 4 April 2023, which had been circulated to the shareholders, was taken as read.

## **Auditor's Report**

Mr Wee Ee-chao invited the Auditor, Mr Choo Eng Beng of PricewaterhouseCoopers LLP to read the Auditor's Report. Mr Choo referred the meeting to the Auditor's Report on Pages 60 to 63 of the Annual Report for the financial year ended 31 December 2022.

Mr Choo confirmed that the financial statements of the Group were properly drawn up in accordance with the provisions of the Companies Act 1967 and Singapore Financial Reporting Standards (International).

## **Questions from Shareholders**

Mr Wee Ee-chao informed shareholders attending the AGM that the Company had invited shareholders to submit substantial and relevant questions in advance of the AGM and had published its responses on 20 April 2023. Nonetheless, shareholders present at the AGM can still ask questions before the voting of each resolution.

Shareholders/proxies posed the following questions:

- i. Mr Lau commended the Board for the good performance in the past year. He referred to the Chairman's Statement on page 3 of the Annual Report, and sought clarification on what it meant by "expanding our distribution network" as stated in the Chairman's statement. In response, Mr Wee Ee Lim, President and Chief Executive Officer ("CEO"), explained that the Group's strategy for its Healthcare Division is to (i) expand the product range in existing markets; and (ii) enter new markets. However, more emphasis is placed on product range expansion as the Group's Healthcare products are already widely distributed in various markets. Entering new markets usually entails more challenges such as investing adequate advertising and promotional funds to support the launch and facing potential regulatory hurdles when registering the products. The CEO further shared that cost-benefit analysis will also be performed first to determine the viability of entering any new markets.

Mr Lau commented that the product range offered still seems limited and asked about the Group's spending on Research and Development ("R&D"). The CEO replied that there is a Product Development committee that meets monthly to brainstorm new product offerings and ideas.

Mr Lau queried on the rationale of having a new manufacturing facility in Johor and whether all the necessary approvals required for commencement of operations have been obtained to date. The CEO shared that the new manufacturing facility is part of the Group's expansion plan to cater for future demand for Tiger Balm products. The plant also serves as a strategic alternate manufacturing site which will reinforce our operational resilience and agility. As the construction was only recently completed in January 2023, the Group is still amidst obtaining all the necessary approvals.

With reference to page 23 of the Annual Report, Mr Lau would like to know the reason for the low occupancy of 67% at Haw Par Glass Tower (“HPGT”) despite its prime location. The CEO responded that management strives to increase occupancy as soon as possible. Mr Lau suggested for the Group to monetise HPGT should an opportunity arise, to which the CEO noted. Mr Lau further queried if the Group is looking to purchase new properties to expand its property portfolio. The CEO replied that the Group’s main focus is on improving the Healthcare division.

- ii. Mr McCallum noted that the Healthcare division profit peaked in 2018 and the Healthcare division’s profits have been on a decreasing trend since then, especially since the Covid-19 pandemic. He further noted that the Healthcare product list has not changed much since 2018 and enquired if there is anyone on the Board that monitors the range of products offered closely. CEO shared that the management team, which includes himself, is responsible for this aspect.

Mr McCallum suggested that the Investment Committee could include more Board members as the current composition is made up of only two Board members (Dr Wee Cho Yaw and Mr Wee Ee Lim) and two other key management personnel. The CEO is of the view that the composition of the Investment Committee is of an appropriate size and adequate. Nonetheless, the CEO noted the suggestion.

Mr McCallum pointed out the significant cash balance and treasury bills held by the Group and commented that it would be good to use it for investment such as to increase our holdings in the strategic investments which have remained unchanged for years. He further queried about the Group’s decision not to take up more scrip dividends from our strategic investments. Mr Paul Chow, Chief Financial Officer (“CFO”), clarified that for the past few years, UOB and UOL did not offer the option of scrip dividends. If a scrip dividend option was offered, the Group would assess prevailing market conditions before the decision is made. Mr McCallum commented that the cash could be used to invest in profit-making businesses. The CEO shared that the Group has been prudent in its investments. Hopefully, the current shift in the market environment will lead to an abatement in valuation.

- iii. Mr Goh asked the CEO for his views on the economic outlook for the next 12 to 18 months, given the high inflation and geopolitical tensions. CEO shared that there is uncertainty in the business climate and the extent of the impact on the Group’s operations remains unpredictable. Currently, the Group is on track to recover to pre-pandemic levels with improved consumer spending. However, it may take another one to two years to return to pre-pandemic level profits. Business costs have increased with higher manpower costs and utilities. Prices of raw materials have also climbed though to a smaller extent.
- iv. Mr Lau questioned if the Board has intention to have female representation on the Board. The Chairman of the Meeting responded that the Board evaluates appointments based on merit. Nonetheless, the Board will seek suitable gender diversity as and when opportunity arises in the coming years.
- v. Ms Jeow noted that a special dividend was paid in 2019 and enquired on the circumstance in which Haw Par will pay special dividends to shareholders. The CFO explained that the purpose of the special dividend paid in 2019 was to commemorate the Group’s 50th Anniversary of listing. CEO added that a special dividend was also paid out in 2016 in view of extraordinary gains. FY2022 earnings was still below 2018-2019 pre-pandemic

level and our current dividend payout ratio of 45% of earnings is higher than pre-pandemic. The Board will review and recommend a higher dividend rate when the Group's operating profits recover.

Ms Jeow commented that the company maintained a low debt to equity ratio. CEO responded that the 0.8% debt/equity in FY2022 was due to borrowings drawn down for the purpose of hedging long term foreign currency denominated investments.

Ms Jeow referred to Chairman's Statement in the Annual Report on "leveraging on our strengths" and enquired what Haw Par's strength is. CEO responded that our strength is our brand Tiger Balm. CEO believes that we can leverage on our brand equity to improve the consumer front and our products have been well-received. Moreover, we do not have any debts or quality issues. Ms Jeow commented that she hoped the Group improves on the healthcare area.

Ms Jeow referred to page 87 of the Annual Report Strategic and long term investments disclosure note. Ms Jeow commented that there was an increase in other long term investments and queried on what these investments were. The CFO responded that these were foreign currency denominated investments which we have identified for capital appreciation and dividend yield.

- vi. Mr Betts enquired on the progress of the Group's plans on M&A. CEO responded that the Group has yet to identify any suitable targets at the moment.
- vii. Mr Chan noted that a significant portion of Haw Par's assets, as well as profits, came from its shareholding in UOB. He also noted that Haw Par's share price is only about 60% of its net asset value. Mr Chan requested that the Board consider raising Haw Par's dividend since UOB has increased its dividend. Mr Chan was hopeful that by doing so, the share price of Haw Par may track UOB's share price better. The CEO noted his request.
- viii. Mr Tye commented that Haw Par has been a household and reliable name for the past 50 years. However, Mr Tye observed that Haw Par did not go beyond our traditional strength, and it appeared that there is probably no one from R&D at the senior executive level. Mr Tye commented that R&D in a manufacturing company is the foundation of company growth, and that we should leverage on Haw Par's reputable name.

Mr Tye further referred to the expansion of our manufacturing capability in Malaysia. Mr Tye believed that consumers would be willing to pay a premium price for healthcare products manufactured in Singapore. Mr Tye quoted an example of organic vegetables where consumers are willing to pay two to three times more than conventional agricultural vegetables. Mr Tye suggested the Board considers expanding our healthcare business, not only in consumer healthcare, but probably further curative areas or through joint ventures.

CEO responded that although not stated in our annual report, we do have senior executives who have been with the company for a long period of time and understand the company's product and development process, and that we do come up with new products and have a monthly Product Development committee which he chairs.

- ix. Mr Chua shared that he had heard on a number of occasions from his friends that it appears that there is a high demand in Hong Kong, Africa and the Middle East for Haw

Par's healthcare products. Mr Chua commented that Africa should not be overlooked given its huge population.

Mr Chua commented that Haw Par has substantial shareholding in UOB, and to his knowledge, there is currently much concern on whether the banks are holding low yielding treasury bills or government bonds, similar to their counterparts in the US. He noted that a couple of US banks bought substantial amounts of low yielding treasury bills which dropped in fair value from the hikes in US interest rates. Mr Chua commented that there could be a similar risk with UOB. He wished to know if Haw Par is satisfied that our exposure to this risk is low as far as this point is concerned.

In addition, Mr Chua noted that all interest income generated from Treasury bills and fixed deposits are subjected to tax and queried if Haw Par would consider to pay out some significant sum of the excess cash to shareholders as tax-exempt dividends.

Mr Wee Ee-chao was of the opinion that this was not the platform to address Mr Chua's questions about UOB and how they deal with the issues Mr Chua brought up. In addition to Mr Wee Ee-chao's comments, the CFO shared that Haw Par does not take a passive view on our investments in UOB or otherwise, and that we periodically review our investments to see if they continue to hold true to our original intention.

There were no further questions at this point.

### **Voting and Polling Procedures**

Mr Wee Ee-chao informed the Meeting that voting for all resolutions would be conducted by electronic poll. Mr Chiew informed the Meeting that the poll results would be reviewed by an independent scrutineer. A video presentation was shown on the voting process and a test poll was conducted.

Mr Wee Ee-chao proceeded with the business of the AGM.

**1. ORDINARY RESOLUTION 1:  
DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS FOR THE  
FINANCIAL YEAR ENDED 31 DECEMBER 2022 TOGETHER WITH THE AUDITOR'S  
REPORT BE RECEIVED AND ADOPTED**

---

1.1 There being no further questions or comments, Resolution 1 was proposed and put to the Meeting by Mr Wee Ee-chao. The Company Secretary announced the results of the poll voting as follows:

<b>Votes</b>	<b>No. of Shares</b>	<b>%</b>
For	155,244,609	99.92
Against	128,129	0.08
Total	155,372,738	100.00

1.2 The Meeting resolved that the Audited Financial Statements for the financial year ended 31 December 2022 together with the Directors' Statement and Auditor's Report be received and adopted.

1.3 Mr Wee Ee-chao declared Resolution 1 carried.

**2. ORDINARY RESOLUTION 2:  
SECOND & FINAL TAX-EXEMPT DIVIDEND OF 15 CENTS PER SHARE FOR THE  
FINANCIAL YEAR ENDED 31 DECEMBER 2022**

---

- 2.1 There being no questions or comments, Resolution 2 was proposed and put to the Meeting by Mr Wee Ee-chao. The Company Secretary announced the results of the poll voting as follows:

<b>Votes</b>	<b>No. of Shares</b>	<b>%</b>
For	155,256,479	99.93
Against	109,820	0.07
Total	155,366,299	100.00

- 2.2 The Meeting resolved that the payment of second and final tax-exempt dividend of 15 cents per ordinary share for the financial year ended 31 December 2022 be approved.
- 2.3 Mr Wee Ee-chao declared Resolution 2 carried.

**3. ORDINARY RESOLUTION 3:  
MR WEE EE-CHAO BE RE-ELECTED AS A DIRECTOR OF THE COMPANY**

---

- 3.1 As Resolution 3 involved Mr Wee Ee-chao's re-election as a Director of the Company, the Company Secretary put to the Meeting to propose that Mr Wee Ee-chao be re-elected as a Director of the Company.
- 3.2 Resolution 3 was proposed by a member, Mr Chua. There being no questions or comments, the motion was put to vote by poll.
- 3.3 The Company Secretary announced the results of the poll voting as follows:

<b>Votes</b>	<b>No. of Shares</b>	<b>%</b>
For	153,053,935	98.54
Against	2,260,863	1.46
Total	155,314,798	100.00

- 3.4 The Meeting resolved that Mr Wee Ee-chao, who is retiring by rotation pursuant to Article 94 of the Company's Constitution, be re-elected as a Director of the Company.
- 3.5 Mr Wee Ee-chao declared Resolution 3 carried.

**4. ORDINARY RESOLUTION 4:  
MR GN HIANG MENG BE RE-ELECTED AS A DIRECTOR OF THE COMPANY**

---

- 4.1 There being no questions or comments, Resolution 4 was proposed and put to the Meeting by Mr Wee Ee-chao. The Company Secretary announced the results of the poll voting as follows:

<b>Votes</b>	<b>No. of Shares</b>	<b>%</b>
For	111,275,529	74.13
Against	38,841,677	25.87

Total	150,117,206	100.00
-------	-------------	--------

4.2 The Meeting resolved that Mr Gn Hiang Meng, who is retiring by rotation pursuant to Article 94 of the Company's Constitution, be re-elected as a Director of the Company.

4.3 Mr Wee Ee-chao declared Resolution 4 carried.

**5. ORDINARY RESOLUTION 5:  
DIRECTORS' FEES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

---

5.1 Resolution 5 was recommended and proposed by the Board, and put to the Meeting by Mr Wee Ee-chao.

5.2 Mr Lau enquired on the increase in directors' fees to which CEO replied that the increase in fees is commensurate with the increasing work and responsibilities for each director in light of the smaller Board size and to bring the fees closer to the market rate. The last base fee adjustment was done in 2019.

5.3 There being no further questions, Mr Wee Ee-chao put Resolution 5 to the vote.

5.4 The Company Secretary announced the results of the poll voting as follows:

Votes	No. of Shares	%
For	154,731,395	99.63
Against	567,723	0.37
Total	155,299,118	100.00

5.5 The Meeting resolved that the Directors' fees of S\$594,000 be paid for the financial year ended 31 December 2022.

5.6 Mr Wee Ee-chao declared Resolution 5 carried.

**6. ORDINARY RESOLUTION 6:  
RE-APPOINTMENT OF AUDITORS**

---

6.1 There being no questions or comments, Resolution 6 was proposed and put to the Meeting by Mr Wee Ee-chao. The Company Secretary announced the results of the poll voting as follows:

Votes	No. of Shares	%
For	154,351,710	99.85
Against	234,862	0.15
Total	154,586,572	100.00

6.2 The Meeting resolved that Messrs PricewaterhouseCoopers LLP be re-appointed as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting and that their remuneration be fixed by the Directors.

6.3 Mr Wee Ee-chao declared Resolution 6 carried.

**7. ORDINARY RESOLUTION 7:  
AUTHORITY FOR THE DIRECTORS TO ISSUE ORDINARY SHARES (GENERAL  
SHARE ISSUE MANDATE)**

---

- 7.1 There being no questions or comments, Resolution 7 as set out in the AGM Notice was proposed and put to the Meeting by Mr Wee Ee-chao. The Company Secretary announced the results of the poll voting as follows:

<b>Votes</b>	<b>No. of Shares</b>	<b>%</b>
For	111,933,085	74.54
Against	38,241,053	25.46
Total	150,174,138	100.00

- 7.2 Based on results of the poll, Mr Wee Ee-chao declared Resolution 7 carried.

**8. CONCLUSION**

There being no other business, the Meeting ended at 3.00 p.m. with Mr Wee Ee-chao thanking shareholders for their attendance.

Confirmed as a correct record

Mr Wee Ee-chao  
Chairman of the Meeting