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

# ANNUAL GENERAL MEETING TO BE HELD ON 23 APRIL 2025 (the "AGM") RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS RECEIVED FROM SHAREHOLDERS

Haw Par Corporation Limited (the **"Company"**) refers to the announcement on 2 April 2025 on the Notice of AGM, the invitation to the shareholders to submit questions in advance of the AGM. The Company thanks shareholders for the questions received.

The Appendix sets out the Company's responses to the substantial and relevant questions received from shareholders that are relevant to the AGM resolutions and the business of the Company. Where questions overlap or are closely related, they have been consolidated and rephrased for clarity.

By Order of the Board

Chiew Kun Long, Alvin
Company Secretary
17 April 2025

**APPENDIX**

## Haw Par Corporation Limited – 56th Annual General Meeting

## Responses to Substantial and Relevant Questions

| TOPIC | No | Question | Response |
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| **Healthcare** | 1. | Congratulations on the new line of Healthcare product - Tiger Balm Sensorial Therapy.<br><br>Could the addition of this new product line increase the Healthcare segment revenues by 5% to 10% in 2025? What are your expectations/estimates? When do you plan to extend these products to new countries? | While it is still early to determine the long-term revenue contribution of the new product line, initial take-up appears promising. Due to competitive considerations, we are unable to share additional specifics at this time. That said, should the performances in our various launch markets deliver to expectations, we plan to expand this product line into more markets, subject to obtaining the applicable regulatory approvals. |
| **Healthcare** | 2. | How significant is the United States ("US") as a market for the Company's Healthcare business? | We are unable to disclose specific market data due to competitive reasons. However, we can share that the recent tariffs are expected to impact the import of our Tiger Balm products into the US. We are monitoring the ever-evolving situation closely. |
| **Leisure** | 3. | Would you consider divesting Underwater World Pattaya ("UWP")?<br><br>Have you extended the lease for this property considering the upgrading works? | UWP has continued to contribute positive results and cashflow to the Group.<br><br>As an attraction, UWP strives to curate new exhibits and refine its product offerings to engage new visitors and encourage repeat visitors. The land lease for UWP still has more than 6 years remaining. Management will carefully evaluate the business prior to lease renewal negotiation. The Group remains interested in family-friendly leisure attractions given its past experiences in such business. |
| **Financials** | 4. | In 2018, profit before tax of $192 million less other income of $108 million (mainly dividend | Excluding other income, operating profit in FY2024 decreased against FY2018 despite higher revenue due mainly to higher operating costs |

| TOPIC | No | Question | Response |
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| | | income from strategic investments), Haw Par's core operating profit was around $84 million.<br><br>In 2024, profit before tax of $246 million less other income of $180 million, Haw Par's core operating profit was around $66 million. Why has the Group become less profitable compared to 2018 despite higher revenue? | and marketing expenses. Cost of doing business has generally increased post pandemic. The Group remains focused on improving operational productivity and tightening cost controls, while leveraging economies of scale to improve overall financial performance. |
| **Dividends** | 5. | The ordinary dividend corresponds to around 70% of the dividend received from UOB (i.e. without considering dividends received from other investments such as UOL or the profitability of Tiger Balm). Does the Board consider increasing the level of the ordinary dividend?<br><br>Considering the minimal debt, strong financing relationship with UOB, and high cash balances, would you consider increasing regular dividend payouts further aiming at least 50% payout of annual profits? | The Company's dividend policy seeks to provide shareholders with a stable and efficient form of capital distribution relative to earnings on per-share basis. For more than 30 years, the Company has maintained sustainable dividend payments.<br><br>In FY2023, the Company increased its normal dividend payout by 33%, from 30 cents per share to 40 cents per share.<br><br>In addition, as part of prudent capital management, our Board has recommended a special dividend of $1 per share for shareholders' approval this AGM.<br><br>We retain adequate capital for strategic long-term growth and to be able to react quickly to seize investment opportunities as they emerge. |
| **Others** | 6. | Even after the payment of FY2024 special dividend, the level of cash will remain at a high level. What are the asset allocation options considered by the Board for this cash? | The Company continues to actively seek attractive investment opportunities, particularly in healthcare-related businesses that can benefit from our established network and industry expertise. At the same time, we remain open to investments outside our current areas of operation, evaluating promising prospects as they arise. |

| TOPIC | No | Question | Response |
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| | | | While balancing strategic focus with agility is an ongoing challenge, our strong cash position allows us to respond swiftly to opportunities. With this financial flexibility and a solid foundation, the Group is well-positioned to further grow and add on to its portfolio of operating businesses. |
| **Others** | 7. | With cash on hand amounting to $746 million and investment in liquid debt securities at $143 million as of 31 December 2024, these net cash/liquid instruments account for approximately 30% of the Company's current $2.9 billion market capitalisation (after accounting for the $36 million in borrowings).<br><br>On page 1 of the 2024 Annual Report "*leveraging 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.*"<br><br>From the 2024 AGM: *"The Group has also been on the lookout for good investment targets to acquire or take stakes in, preferably healthcare-related* | Due to confidentiality reasons, the Company is not able to disclose the nature of the businesses that we have attempted to or considered acquiring in the past decade. The Company continues to actively seek attractive investment opportunities, particularly in healthcare-related businesses that can benefit from our established network and industry expertise.<br><br>The Company has a dedicated team focused on identifying strategic acquisition opportunities and actively collaborates with investment banks to source and evaluate potential targets.<br><br>While the current macroeconomic environment remains uncertain, it is inherently difficult to predict the timing or availability of compelling investment opportunities. That said, with a strong balance sheet and cash on hand, we are well-positioned to capitalise on attractive opportunities that align with our strategic objectives. |

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| | | *businesses that can leverage the Group's network and expertise."*<br><br>Given the significant cash balance and low debt levels, what kind of operating businesses has the company acquired or considered acquiring in the past decade?<br><br>Do you have a specialised team in place to scout for potential operating businesses to invest in for synergistic outcomes?<br><br>Is the uncertain macroeconomic outlook presenting more compelling opportunities in terms of valuation for any target(s) identified? | |
| **Others** | 8. | Earnings per share has almost doubled from 54 cents in FY2020 to 103 cents in FY2024. However, during the same period, the discount of the Last Transacted Share Price to Net Assets Per Share has unfortunately increased. How does management plan to address the growing discount of the share price to the Company's net tangible book value?<br><br>The Company's share trading volumes have unfortunately decreased in the same timeframe, making the Company's shares unattractive to large institutional investors. | The Company has traditionally been viewed by the market as an investment holding entity, which has contributed to a discount factor on its valuation. This gap narrowed in the period leading up to the pandemic, as operating profits from our core business strengthened. Management remains focused on driving growth through the expansion of existing operations, along with the strategic acquisition of high-quality, synergistic businesses. We believe these efforts will enhance shareholder value and potentially reduce the discount factor and increase trading volume.<br><br>Investments in UOB shares are strategic investments which were purchased at a low cost base. Those who follow Haw Par's history will appreciate that these are legacy assets that define Haw Par, alongside |

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| | | UOB owns about 10 per cent of the Company. Would management consider reducing cross-shareholding with UOB to increase the Company's stock float and in turn reverse the declining trading liquidity? What other steps would management consider taking to improve share trading liquidity? Given the relatively high price per share, would the Company consider a stock split, such as a 5-for-1 split?<br><br>Does the Company intend to implement a share buyback scheme? | Tiger Balm. Banking is one of the key proxies of the Singapore and regional economies with UOB being one of the blue-chip representations of the banking sector. Accordingly, UOB has provided Haw Par with stable income stream and which capital appreciation have provided the basis of Haw Par's financial strength from which we are well placed to further expand our portfolio of operating businesses through organic growth and potential investments.<br><br>In 2015, SGX reduced the standard board lot size for listed securities from 1,000 to 100 shares to encourage greater retail investor participation. Despite this change, the trading volume of the Company's shares has remained largely comparable with pre-adjustment levels. This seems to suggest that structural changes such as a stock split may not, on its own, result in a meaningful increase in liquidity. Nonetheless, the Company will take into consideration the suggestion and carefully evaluate further at an appropriate time, taking into account market conditions.<br><br>The Company notes the feedback and suggestion on share buyback scheme. |