Annual Report
for financial year 2014

Yeo Hiap Seng Limited

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CHAIRMAN'S STATEMENT

Dear Shareholders

FINANCIAL OVERVIEW

The Group achieved overall revenue of $437.6 million compared to $515.3 million in the previous year. Revenue for the F&B segment increased marginally from $430.6 million in the previous year to $431.7 million in the current year.

The Group recorded a profit after tax attributable to equity holders of the Company of $29.0 million in FY2014, $58.6 million down from $87.6 million the year before. Net operating cash inflows generated by the F&B Division was $29.6 million.

The property development segment was dormant in the financial year under review.

DEVELOPMENTS IN FOOD & BEVERAGE

It has been a difficult year for our Singapore operations. The carbonated can line malfunctioned and this adversely affected both revenue and profits. We are now in the process of commissioning new equipment that will put us back on track. We have also installed a new retort-can line and built additional warehousing facilities to cater for growth.

The Malaysian business was stagnant in the year under review caused mainly by poor market sentiments and keen competition. However, we are still optimistic about our growth prospects and will continue to focus on higher value-added products. The infrastructure projects that we embarked upon since 2010 have been completed. The new high speed tetra-pak and aseptic PET lines have all gone into full commercial production, and new warehousing facilities have been put in use.

Sales in Cambodia and Indonesia continue to grow. We are ready to award the contract to commence construction of the Cambodian factory and we target to commence construction of the Indonesian factory later this year. We will continue to expand our distribution networks, build brands and launch new products in both markets.

Our China local operations have finally turned around after a long period of underperformance. This was achieved through closing down the Shanghai factory and consolidating production in a single location, right-sizing the operation and optimising the mix of products to focus our effort on.

CORPORATE RESPONSIBILITY

We believe in providing a better community for our society. Yeo's has been a strong supporter of Singapore League since 2004, and the Company has been developing young football talents through programs like the H-TWO-O Ultimate Champions League and H-TWO-O Ultimate Dream Team. Environmental consciousness is another initiative that the Company promotes. Every year, the Company will organise recycling projects for the community to participate in. Besides drinking and eating right, we also encourage the community to stay healthy by organising mass workout events like Zumba, where proceeds collected were donated to the Breast Cancer Foundation.

In Malaysia, we continue our efforts to inculcate good reading habits among students through Yeo's School Reading Program. In 2014, another 120 schools participated in this program. During the Ramadhan month, we launched a Ramadhan campaign called "Sinari Kemuliaan Ramadhan Bersama Yeo's" to invite people from all walks of life, regardless of their race and belief, to appreciate the holiness of Ramadhan month. It is Yeo's hope that the elements of Ramadhan will be valued and shared in building a more caring, positive, understanding and supportive community. Similarly, during Chinese festive celebrations, we organised concerts and road-shows to promote Chinese art and tradition to all communities.

PROSPECT FOR 2015

Food and beverage will continue to be our core business as we strive to grow in all markets, particularly Cambodia and Indonesia.

We are cautiously optimistic of the market outlook. While there are opportunities for growth, keen competition, cost pressures and economic uncertainties will remain our challenges. We will continue to review the way we conduct our business and processes so that improvements can be made on a continuous basis to enhance our profitability.

DIVIDEND

The Board is recommending a final dividend of two cents per ordinary share in respect of the financial year ended 31 December 2014. The dividend, payable in cash, is subject to shareholders' approval at the Company's forthcoming Annual General Meeting to be held in April 2015.

NOTE OF THANKS

The year 2014 saw some changes to the Board and senior executive positions. As announced by the Company on 8 December 2014, Mr. Tjong Yik Min, Group Chief Executive Officer ("CEO") will be retiring on 30 April 2015. The Board is deeply appreciative of Mr. Tjong's leadership and transformation of YHS since he became CEO in 2010. The Board wishes Mr. Tjong a fulfilling retirement. We thank him for his stewardship over the last 12 years.

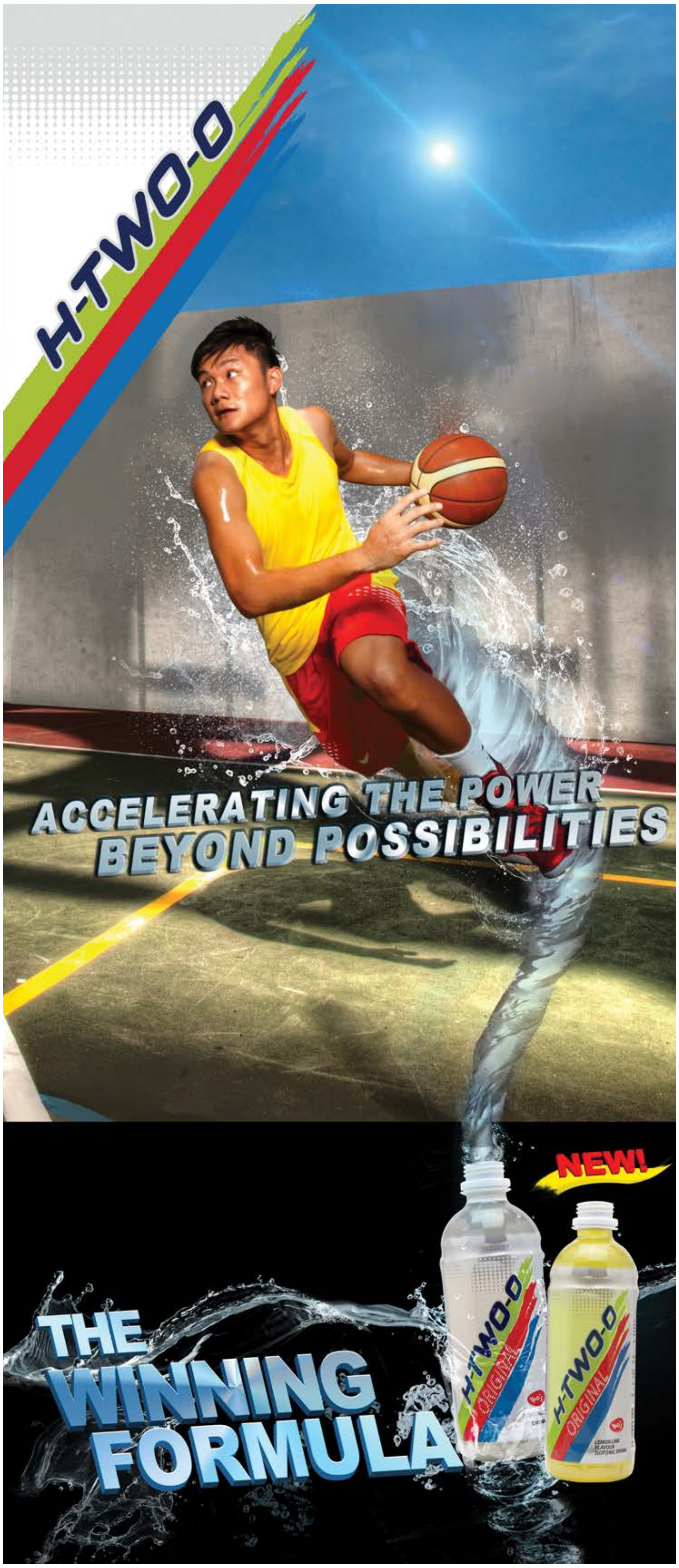
At the same time, the Board welcomes Mr. Melvin Teo who will be taking over from Mr. Tjong as CEO and looks forward to Mr. Teo building on the foundation laid and taking YHS to yet another level.

Mr. Chang See Hiang, the longest-serving Director, has decided not to seek re-election at the forthcoming Annual General Meeting. Our profound appreciation goes to Mr. Chang, who has served as a Director on the YHS Board since November 1995.

My thanks also go to fellow Directors for their contribution and guidance to steer the Group through yet another challenging year.

I would also like to thank our customers, business associates, shareholders and employees for their support and dedication. Their commitment has been and will continue to be instrumental to the Group's success.

Koh Boon Hwee
Chairman
26 February 2015



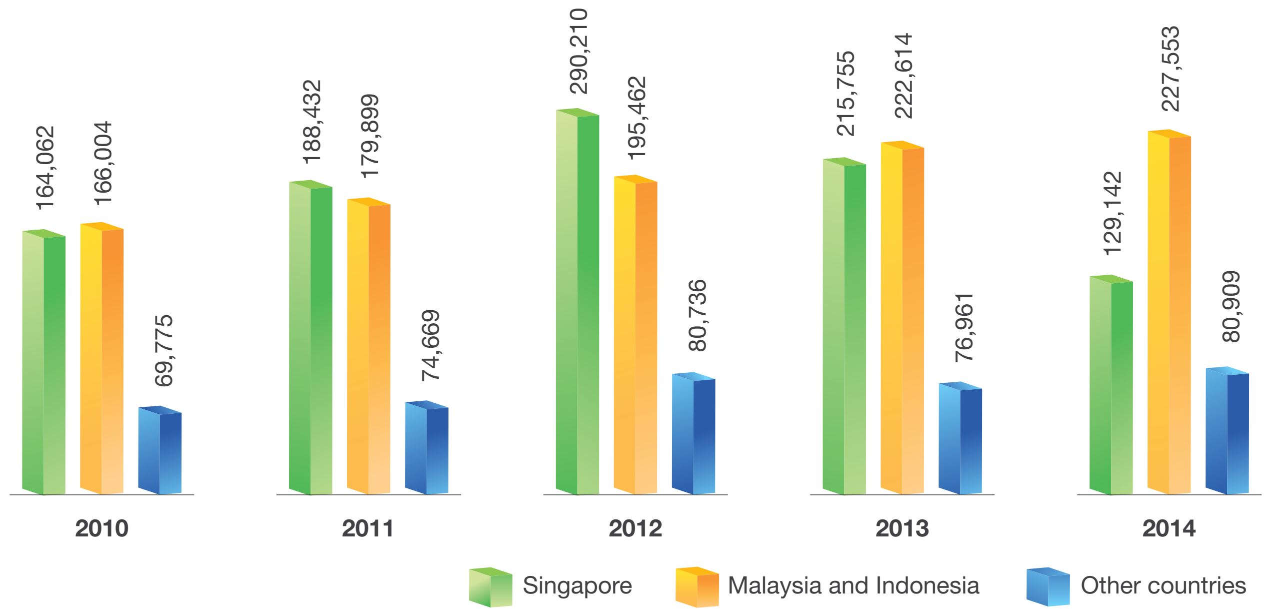

The Natural Choice
Yeo's
Chrysanthemum Tea
菊花茶
Sugar Cane Drink
甘蔗水
Winter Melon Tea
冬瓜茶
No Added Preservatives
Not So Sweet
不太甜
Lychee Drink
荔枝水
Lemon Barley Drink
柠檬薏米水
Chrysanthemum Tea + Luo Han Guo
Net 250 mL

FIVE-YEAR STATISTICAL RECORD OF THE GROUP

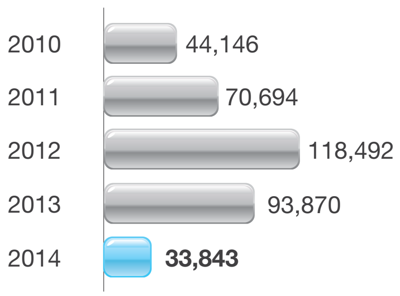
Unit: S$'000	2010	2011	2012	2013	2014
Turnover by Geographical Segments					
Singapore	164,062	188,432	290,210	215,755	129,142
Malaysia and Indonesia	166,004	179,899	195,462	222,614	227,553
Other countries	69,775	74,669	80,736	76,961	80,909
Total Group Turnover	399,841	443,000	566,408	515,330	437,604
Pre-tax profit	44,146	70,694	118,492	93,870	33,843
Net tangible assets*	395,023	443,075	660,750	736,464	627,160

* Figures do not include interests of minority shareholders

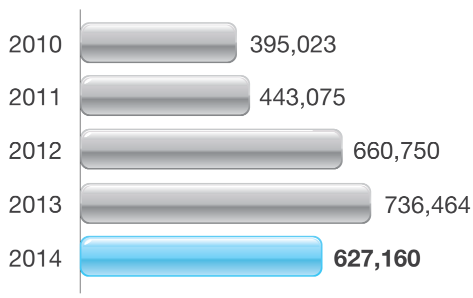
TURNOVER BY GEOGRAPHICAL SEGMENTS



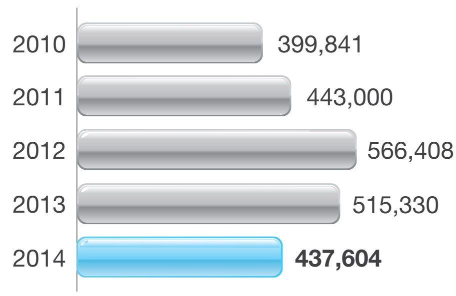
PRE-TAX PROFIT

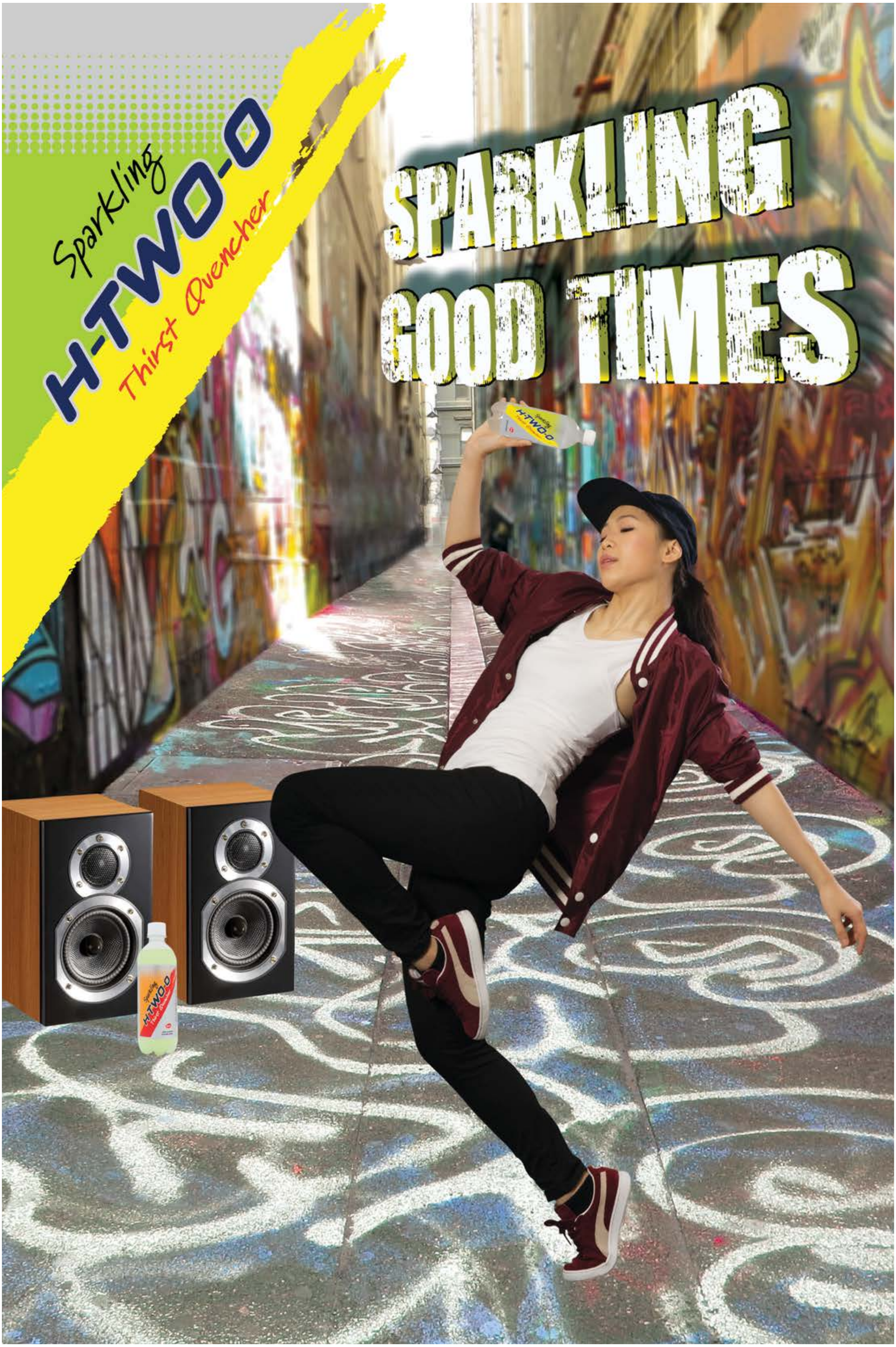


NET TANGIBLE ASSETS



GROUP TURNOVER




Sparkling
H-TWO-O
Thirst Quencher
SPARKLING
GOOD TIMES

Mr. Koh Boon Hwee, 64

Chairman

Member of Board of Directors
Chairman of Executive Committee

Mr. Koh Boon Hwee was first appointed non-independent, non-executive director on YHS Board on 1 January 2009 and subsequently, from 26 April 2010, he was appointed non-executive Chairman of the Board. Mr. Koh was last re-elected as a director of the Company on 26 April 2012.

Mr. Koh started his career in year 1977 at Hewlett Packard and rose to become its Managing Director in Singapore, a post he held from 1985 to 1990. From 1991 to 2000, he was Executive Chairman of the Wuthelam Group.

Mr. Koh was the Chairman of the Singapore Telecom Group (SingTel) and its predecessor organisations from 1986 to 2001, Chairman of Singapore Airlines Limited from July 2001 to December 2005 and Chairman of DBS Group from January 2006 to April 2010. He also served on the Board of Temasek Holdings (Pte) Ltd from November 1996 to September 2010.

Mr. Koh received his Bachelor's Degree (First Class Honours) in Mechanical Engineering from the Imperial College of Science and Technology, University of London, and his MBA (Distinction) from the Harvard Business School.

Mr. S. Chandra Das, 75

Deputy Chairman, Lead Independent Director

Member of Board of Directors
Chairman of Nominating Committee
Member of Audit Committee
Member of Remuneration Committee
Member of Executive Committee

Mr. S. Chandra Das was appointed Independent Director on YHS Board on 1 September 2002 and subsequently, from 1 November 2005, he was appointed as Lead Independent Director. He was re-appointed as a Director of the Company on 25 April 2014.

Mr. Das has over 36 years of experience primarily in companies involved in the trading and manufacturing industries. Mr. Das served as the Singapore Trade Representative to the USSR from 1970 to 1971, Chairman of the Trade Development Board from 1983 to 1986, Chairman of NTUC Fairprice Co-operative Ltd from 1993 to 2005, Director of Sincere Watch Limited from 2010 to 2012, Director of CapitaMall Trust Management Ltd from 2002 to 2012, Chairman & Director of Nera Telecommunications Ltd from 1988 to 2013 and Director of Yeo Hiap Seng (Malaysia) Berhad from 2004 to 2013.

Currently Mr. Das holds Directorships in various public listed companies including: Chairman of TalkMed Group Ltd, Director of Ascott Residence Trust Management Limited and Director of Super Group Ltd. He is also the Managing Director of NUR Investment & Trading Pte Ltd, Chairman of Arrow Asia Opportunity Fund Ltd, Chairman of Tamil Murasu Ltd, Chairman of Goodhope Asia Holdings Ltd, Chairman of Eldercare Holdings Pte Ltd, Director of Global Money Remittance Pte Ltd, Singapore's Non-Resident Ambassador to Turkey and Pro-Chancellor of Nanyang Technological University.

He served as a Member of Parliament in Singapore from 1980 to 1996.

Mr. Das received his Bachelor of Arts degree (with honours) from the University of Singapore in 1965.

Mr. Das has been conferred numerous awards, such as the President's Medal by the Singapore Australian Business Council in 2000, the Distinguished Service (Star) Award by National Trades Union Congress in 2005, and the Public Service Star in 2014.

PROFILE OF THE BOARD OF DIRECTORS & MANAGEMENT

Mr. Tjong Yik Min, 62

Group Chief Executive Officer

Member of Board of Directors
Member of Executive Committee

Mr. Tjong Yik Min has served as a Non-independent Director on the YHS Board since 22 July 2002. He joined YHS as its President & Chief Operating Officer on 22 July 2002 and subsequently, from 26 April 2010, Mr. Tjong was appointed to the position of Group Chief Executive Officer. Currently he is also Executive Director of Far East Organization and Chief Executive Officer of Yeo Hiap Seng (Malaysia) Berhad. Mr. Tjong was last re-elected as a Director of the Company on 25 April 2014.

Mr. Tjong has extensive experience in both the public and private sectors. He had served as Executive Director and Group President of Singapore Press Holdings Limited, Executive Director of Far East Orchard Limited (then known as Orchard Parade Holdings Limited), Permanent Secretary, Ministry of Communications, Director of Internal Security Department and Chairman of Civil Aviation Authority of Singapore. He is currently also a director of Genting Singapore PLC.

Mr. Tjong holds a Bachelor of Engineering, Industrial Engineering and Bachelor of Commerce (Economics) from the University of Newcastle, Australia. In addition, he also holds a Master of Science, Industrial Engineering from the University of Singapore.

Mr. Melvin Teo Tzai Win, 44

Executive Director & Chief Executive Officer Designate

Member of Board of Directors

Mr. Melvin Teo was appointed Executive Director on YHS Board on 1 January 2015. He is currently holding the position of Chief Executive Officer Designate.

A banker by training, Mr. Teo has extensive experience in a number of key banking areas such as institutional banking, corporate finance, private equity, risk, finance, and operations. Prior to joining YHS, Mr. Teo served as the President Director of PT Bank DBS Indonesia since October 2012, and he was the Chief Executive Officer of DBS Bank (China) Ltd from January 2010 to September 2012. Mr. Teo joined DBS Bank in July 2005 and was involved in several of the bank's key initiatives. He was also head of the bank's private equity group before taking on his China assignment. Prior to joining DBS Bank, he held a number of positions at Standard Chartered Bank as well as Bank of America.

Mr. Teo graduated from the Nanyang Technological University with a Bachelor Degree (First Class Honors) in Business (Banking).

Mr. Wee Kheng Jin, 60

Non-independent, Non-executive Director

Member of Board of Directors
Member of Executive Committee

Mr. Wee Kheng Jin was appointed Non-independent, Non-executive Director on YHS Board on 26 April 2010. Mr. Wee is currently an Executive Director in Far East Organization and an Independent Non-executive Director of Parkson Retail Asia Limited. He was last re-elected as a Director of the Company on 25 April 2014.

From January 2004 to July 2005, he was the Executive Director in the listed company Far East Orchard Limited (then known as Orchard Parade Holdings Limited).

Prior to this, Mr. Wee spent 16 years in Citibank and held various appointments in the Singapore operations including 9 years as its Country Financial Controller. In 1995, he was transferred to the bank's Asia Pacific Group office where he was responsible for overseeing several of the bank's treasury related initiatives.

Mr. Wee obtained his Bachelor of Accountancy degree from the University of Singapore on a SGV Scholarship.

Mr. Chang See Hiang, 61

Independent, Non-executive Director

Member of Board of Directors
Member of Nominating Committee

Mr. Chang See Hiang was re-designated as an Independent Director on 20 February 2012. Prior to this appointment, he served as Non-independent Director on the Board since 9 November 1995. He was last re-elected as a Director of the Company on 24 April 2013.

An Advocate and Solicitor of the Supreme Court of Singapore, he is the Senior Partner of his own law firm, Messrs. Chang See Hiang & Partners. Mr. Chang is also Director of Jardine Cycle & Carriage Limited, STT Communications Ltd, IHH Healthcare Berhad and Parkway Pantai Limited. Mr. Chang was appointed as Member of the Casino Regulatory Authority of Singapore Board on 2 April 2011 and Member of the Securities Industry Council on 1 August 2012.

Mr. Chang graduated from the University of Singapore with a Bachelor of Law (Honours) degree.

PROFILE OF THE BOARD OF DIRECTORS & MANAGEMENT

Mr. Chin Yoke Choong, 63

Independent, Non-executive Director

Member of Board of Directors
Member of Audit Committee

Mr. Chin Yoke Choong was appointed Independent, Non-executive Director on YHS Board on 15 May 2006 and was last re-elected on 26 April 2012.

Mr. Chin serves as a board member of several listed companies including AV Jennings Limited, Ho Bee Land Limited (formerly known as Ho Bee Investment Ltd), Sembcorp Industries Ltd and Singapore Telecommunications Limited. He is the Chairman of NTUC Fairprice Co-operative Ltd and Deputy Chairman of NTUC Enterprise Co-operative Limited. He is also a director of Frasers Centrepoint Asset Management Ltd and Temasek Holdings (Private) Ltd, Chairman of NTUC Fairprice Foundation Ltd and a director of Singapore Labour Foundation. On 2 January 2010, Mr. Chin was appointed as a Member of the Council of Presidential Advisers (CPA). Mr. Chin was Chairman of Urban Redevelopment Authority of Singapore from 1 April 2001 to 31 March 2006, Managing Partner of KPMG Singapore from 1992 to 2005, Director of Neptune Orient Lines Limited from 2006 to 2012, Director of Oversea-Chinese Banking Corporation Limited from 2005 to 2014, Director of Singapore Power Limited from 2006 to 2014, board member of the Competition Commission of Singapore from 2005 to 2012 and Chairman of the Singapore Totalisator Board from 1 January 2006 until his retirement on 31 December 2012.

Mr. Chin holds a Bachelor of Accountancy from the University of Singapore and is a Chartered Accountant of the Institute of Chartered Accountants in England and Wales.

Dato’ Mohamed Nizam bin Abdul Razak, 56

Independent, Non-executive Director

Member of Board of Directors
Member of Nominating Committee

Dato’ Mohamed Nizam bin Abdul Razak is a Malaysian and he was appointed as Non-executive Director on YHS Board at its Fifty-seventh Annual General Meeting held on 24 April 2013.

Dato’ Nizam was attached to Bumiputra Merchant Bankers Berhad from 1981 to 1984 and to PB Securities Sdn Bhd from 1984 to 1998. He was independent and non-executive director of Yeo Hiap Seng (Malaysia) Berhad since 2002 until its privatisation on 11 January 2013. Dato’ Nizam presently sits on the board of Mamee-Double Decker (M) Sdn Bhd. He also serves on the board of several private limited companies engaged in a wide range of activities and is actively involved in several charitable foundations such as Noah Foundation, Hong Leong Foundation, National Children Welfare Foundation, Yayasan Rahah and Yayasan Wah Seong. In March 2012, he was appointed Pro-Chancellor of Universiti Tun Abdul Razak and in July 2013, he was appointed Chancellor of Unitar International University.

Dato’ Nizam graduated with a Bachelor of Arts (Oxon) degree in Politics, Philosophy and Economics from the Oxford University, United Kingdom.

Mr. Ngiam Tong Dow, 77

Independent, Non-executive Director

Member of Board of Directors
Chairman of Audit Committee
Member of Nominating Committee

Mr. Ngiam Tong Dow has served as an Independent, Non-executive Director on the YHS Board from 18 February 2002. He was re-appointed as a Director of the Company on 25 April 2014.

Mr. Ngiam is currently a Director of Raffles Health Insurance Pte Ltd (formerly known as International Medical Insurers Pte Ltd). Prior to his present appointments, he was Chairman of the Housing & Development Board, a position he held from October 1998 to September 2003. He also held the post of Permanent Secretary in various ministries, including the Prime Minister's Office, the Ministries of Finance, Trade and Industry and Communications. He was Chairman of the Economic Development Board and the Development Bank of Singapore. He had also held directorships in Singapore Airlines Ltd, Singapore Technologies (then known as Sheng-Li Holdings), United Overseas Bank Ltd, Far Eastern Bank Ltd, Temasek Holdings (Pte) Ltd, Overseas Union Bank Ltd and Singapore Press Holdings Limited.

Mr. Ngiam has a Master of Public Administration from Harvard University and a Bachelor of Arts (Honours), First Class from the University of Malaya.

Dato' N. Sadasivan a/l N.N. Pillay, 75

Independent, Non-executive Director

Member of Board of Directors
Member of Remuneration Committee

Dato' N. Sadasivan a/l N.N. Pillay is a Malaysian and he was appointed as Non-executive Director on YHS Board at its Fifty-seventh Annual General Meeting held on 24 April 2013 and was re-appointed on 25 April 2014.

Dato' N. Sadasivan began his career as an Economist with the Economic Development Board, Singapore in 1963. In 1968, Dato' N. Sadasivan joined the Malaysian Industrial Development Authority (MIDA) and served as the Deputy Director General from 1976 to 1983. From 1984 until his retirement in 1995, he was the Director-General of MIDA. Dato' N. Sadasivan was an Independent and Non-executive Director of Yeo Hiap Seng (Malaysia) Berhad since 2004 until its privatisation on 11 January 2013.

From 1995 to 2010, Dato' N. Sadasivan was the Senior Independent Director of the Chemical Company of Malaysia Berhad (CCM Berhad). He was also a Director of Amanah Merchant Bank Berhad, Singapore Unit Trust and Asian Unit Trust from 1995 to 2000. From 2001 to 2012, he was the Chairman of MAS Cargo, as well as the Deputy Chairman of Malaysian Airlines System Berhad.

Presently Dato' N. Sadasivan sits on the board of several private companies namely Panasonic Industrial Device Sales (M) Sdn Bhd, Panasonic Procurement Malaysia Sdn Bhd, NHK Manufacturing (Malaysia) Sdn Bhd and Mercedes-Benz Malaysia Sdn Bhd and two public listed companies in Malaysia namely Petronas Gas Berhad and APM Automotive Holdings Berhad. From March 2000, he has been a Director of Bank Negara Malaysia (Central Bank of Malaysia).

Dato' N. Sadasivan graduated with a Bachelor of Arts (Hons) in Economics from the University of Malaya in 1963.

PROFILE OF THE BOARD OF DIRECTORS & MANAGEMENT

Encik Razman Hafidz bin Abu Zarim, 59

Independent, Non-executive Director

Member of Board of Directors
Member of Audit Committee

Encik Razman Hafidz bin Abu Zarim is a Malaysian and he was appointed as Non-executive Director on YHS Board at its Fifty-seventh Annual General Meeting held on 24 April 2013.

Encik Razman started his career with Touche Ross & Co., Chartered Accountants in London, England and later joined Hacker Young, Chartered Accountants in London, England where he was admitted as an Audit Partner.

In 1989, Encik Razman returned to Malaysia as an Audit Partner of Price Waterhouse ("PW") and later became Partner-in-Charge of PW's Management Consulting Practice. In 1994, he established Norush Sdn Bhd, an investment holding and business advisory firm where he remains as Chairman. Encik Razman was independent and non-executive director of Yeo Hiap Seng (Malaysia) Berhad since 2005 until its privatisation on 11 January 2013.

Encik Razman sits on the boards of Linde Malaysia Holdings Berhad, Sumitomo Mitsui Banking Corporation Malaysia Berhad, Panasonic Manufacturing Malaysia Berhad ("Panasonic") and Tune Ins Holdings Berhad ("Tune Ins"). Panasonic and Tune Ins are listed companies in Malaysia.

Encik Razman graduated with a Joint-Honours degree in Economics and Accounting, BSc (Econ) from University College, Cardiff, University of Wales. He is a Fellow of the Institute of Chartered Accountants in England and Wales and a member of the Malaysian Institute of Accountants.

Dr. Tan Chin Nam, 64

Independent, Non-executive Director

Member of Board of Directors
Chairman of Remuneration Committee

Dr. Tan Chin Nam was appointed Independent, Non-executive Director on YHS Board on 11 January 2008. He was last re-elected as a Director of the Company on 25 April 2014.

Dr Tan is the Chairman of Temasek Management Services Pte Ltd and Global Fusion Capital Pte Ltd. His other appointments include serving as Senior Adviser to the Salim Group, Singbridge Corporate Pte Ltd, Litmus Group Pte Ltd and Zana Capital Pte Ltd. He is a Director of Stamford Land Corporation Ltd, Yeo Hiap Seng Ltd, Raffles Education Corporation Limited, Gallant Venture Ltd., PSA International Ptd Ltd and Sino-Singapore Guangzhou Knowledge City Investment and Development Co., Ltd. He is also a member of Centre of Liveable Cities Advisory Board and Board of Trustees, Bankinter Foundation for Innovation (Spain).

Dr Tan had 33 years of distinguished service in the Singapore Public Service holding various key appointments before completing his term as a Permanent Secretary in 2007. He held various top leadership positions including as General Manager and Chairman, National Computer Board, Managing Director, Economic Development Board, Chief Executive, Singapore Tourism Board, Permanent Secretary, Ministry of Manpower, Permanent Secretary, Ministry of Information, Communications and the Arts, Chairman National Library Board and Chairman Media Development Authority. He played a leading role in the information technology, economic, tourism, manpower, library, media, arts and creative industries development of Singapore.

Dr Tan holds degrees in industrial engineering and economics from the University of Newcastle, Australia and an MBA from University of Bradford, UK as well as two honorary doctorates from both universities. He attended Advanced Management Programme at Harvard Business School and is an Eisenhower Fellow. He was awarded four Public Administration Medals by the Government of Singapore.

Mr. Yap Ng Seng, 58

Deputy Chief Executive Officer

Mr. Yap Ng Seng was appointed Deputy Chief Executive Officer on 1 August 2010. He is responsible for providing assistance to the Group Chief Executive Officer of the Company in business operations and strategic planning.

Prior to joining YHS, Mr. Yap was the Vice President of CROWN Asia Pacific Holdings Limited, where he spent the last 21 years. He has extensive experience in growing business in the competitive environment.

Mr. Yap obtained a Bachelor of Engineering in Mechanical & Production Engineering and a Master of Science in Industrial Engineering from National University of Singapore and a Master in Business Administration from Nanyang Technological University, Singapore.

REPORT ON CORPORATE GOVERNANCE

Yeo Hiap Seng Limited ("YHS" or the "Company") is committed to maintaining high standards of corporate governance in order to protect and enhance long-term shareholder value. This Report describes the corporate governance practices and activities for the Company and its subsidiaries (the "Group") for the financial year ended 31 December 2014 with specific references to the principles of the Code of Corporate Governance 2012 (the "Code") and deviation from any guideline of the Code is explained.

BOARD MATTERS

Board's Conduct of its Affairs

Principle 1 Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with Management to achieve this objective and Management remains accountable to the Board.

Principal Duties of the Board

The Company subscribes to the principle of having good Board practices and members of integrity. Board members appointed have extensive corporate experience and good track record in the public and/or private sectors.

Apart from its statutory duties, the responsibilities of the Board include:

i. providing entrepreneurial leadership, setting strategic objectives, and ensuring that the necessary financial and human resources are in place for the Group to meet its objectives;

ii. monitoring and approving the Group's broad policies, operational initiatives, annual budget, major investment and funding decisions;

iii. ensuring the adequacy of internal controls (including financial, operational and compliance) and the risk management framework;

iv. approving the appointment of the Chief Executive Officer ("CEO") and Directors, and overseeing the succession planning process;

v. approving the remuneration for each Director and the CEO;

vi. reviewing management performance, setting values and standards (including business ethics and sustainability policy and practices), and ensuring that obligations to shareholders and other stakeholders are understood and met; and

vii. assuming responsibility for corporate governance.

Board Approval

Board approval is required for transactions in the ordinary course of business with gross value exceeding S$10 million and for transactions not in the ordinary course of business, with gross value exceeding S$2 million. Other matters, which are specifically referred to the Board for approval, are those involving bank borrowings, provision of corporate guarantees or securities, material acquisitions or disposal of assets exceeding S$2 million per item or S$10 million in the aggregate in any financial year, equity or contractual joint ventures with initial investment value exceeding S$2 million and diversification into new businesses.

Delegation by the Board

The Board is accountable to shareholders while management is accountable to the Board. Each Director is expected to act in good faith and in the best interests of the Company at all times in the exercise of his duties and powers. These functions are carried out directly or through committees comprising Board members and senior management staff as well as by delegation of authority to senior management staff in the various companies of the Group. The "Corporate Information" section of the Annual Report sets out the composition of the Board of Directors and Board committees. Further details of the scope and functions of the various committees are provided in the later part of this Report.

Board Meetings and Processes

The schedule of meetings of the Board, Board committees and the Annual General Meeting ("AGM") for the next calendar year is planned in advance. The Board meets at least four times a year at regular intervals. Telephonic participation at Board meetings is allowed under the Company's Articles of Association ("AA"). *Ad hoc* Board meetings may be convened, if warranted by circumstances. The Board and Board committees may also make decisions by way of circulating resolutions in lieu of a meeting.

The attendance of the Directors at meetings of the Board, Audit Committee ("AC"), Nominating Committee ("NC") and Remuneration Committee ("RC") during the financial year was as follows:

	Board			Audit			Nominating			Remuneration		
	A	B	C	A	B	C	A	B	C	A	B	C
Executive Director												
Tjong Yik Min	M	4	4	-	-	-	-	-	-	-	-	-
Non-executive Director												
Koh Boon Hwee	C	4	4	-	-	-	-	-	-	-	-	-
S. Chandra Das	DC	4	4	M	4	4	C	1	1	M	2	2
Wee Kheng Jin	M	4	4	-	-	-	-	-	-	-	-	-
Chang See Hiang	M	4	4	-	-	-	M	1	1	-	-	-
Chin Yoke Choong	M	4	4	M	4	4	-	-	-	-	-	-
Dato' Mohamed Nizam bin Abdul Razak	M	4	3	-	-	-	M	1	1	-	-	-
Ngiam Tong Dow	M	4	4	C	4	4	M	1	1	-	-	-
Dato' N. Sadasivan a/l N.N. Pillay	M	4	3	-	-	-	-	-	-	M	2	1
Razman Hafidz bin Abu Zarim	M	4	3	M	4	3	-	-	-	-	-	-
Tan Chin Nam	M	4	4	-	-	-	-	-	-	C	2	2

Annotations:
A : Position held as at 31 December 2014 either as Chairman (C), Deputy Chairman (DC) or Member (M)
B : Number of meetings held during the financial year/period from 1 January 2014 to 31 December 2014
C : Number of meetings attended during the financial year/period from 1 January 2014 to 31 December 2014

Board Orientation and Training

A formal letter of appointment is provided to a new Director upon his appointment, setting out the Director's duties and obligations. Newly appointed Directors are briefed on the Group's businesses and governance practices by the CEO and senior management. The orientation programme also includes a familiarisation tour of selected premises or factories within the Group. The programme allows new Directors to get acquainted with senior management, thereby facilitating Board interaction and independent access to management. Where necessary, the Company will provide training for first-time Directors in areas such as accounting, legal and industry-specific knowledge.

Directors have been routinely updated on developments and changes in the operating environment, including revisions to accounting standards, and laws and regulations affecting the Group. At the request of Directors, the Company will fund Directors' participation at industry conferences, seminars or any training programme in connection with their duties as Directors of the Company. The Company Secretary will bring to the Directors' attention, information on seminars that may be of relevance or use to them.

Board Composition and Guidance

Principle 2 There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from Management and 10% shareholders[1]. No individual or small group of individuals should be allowed to dominate the Board's decision making.

Board Independence

During the financial year, the Board had eleven members, consisting of eight independent non-executive Directors, two non-independent non-executive Directors and one executive Director. A description of the background of each Director is provided in the "Profile of the Board of Directors & Management" section of the Annual Report.

[1] A "10% shareholder" is a person who has an interest or interests in one or more voting shares in the company and the total votes attached to that share or those shares is not less than 10% of the total votes attached to all the voting shares in the company. "Voting shares" exclude treasury shares.

REPORT ON CORPORATE GOVERNANCE

The Board has adopted the definition in the Code of what constitutes an independent Director in its review of the independence of each Director. The provisions of the Code require the Board to review annually (and as and when circumstances require) the independence of the independent Directors, and to review with particular rigor whether an independent Director who has served for a period of more than nine years as a Director continues to be independent.

The Board has, upon the recommendation of the NC, reviewed and affirmed the independence of the following independent Directors, each of whom has served less than nine years as independent Directors:

i. Mr. Chang See Hiang[1];
ii. Mr. Chin Yoke Choong[2];
iii. Dato' Mohamed Nizam bin Abdul Razak[2];
iv. Dato' N. Sadasivan a/l N.N. Pillay[2];
v. Encik Razman Hafidz bin Abu Zarim[2]; and
vi. Dr. Tan Chin Nam[2].

The Board has rigorously reviewed the independence of Mr. S. Chandra Das and Mr. Ngiam Tong Dow, each of whom has served as independent Directors for more than nine years. The Board is of the view that an individual's independence cannot be determined arbitrarily on the basis of a set period of time. The Board has determined that both Mr. S. Chandra Das and Mr. Ngiam Tong Dow are independent as they have continued to demonstrate independence in character and judgement in the discharge of their responsibilities as Directors and that there are no relationships or circumstances which affect or are likely to affect their judgement and ability to discharge their responsibilities as independent Directors.

Board Size and Composition

The size and composition of the Board are reviewed annually by the NC, which seeks to ensure that the size of the Board is conducive to effective discussion and decision making, and that the Board has an appropriate number of independent Directors. Taking into account the size and geographical spread of the Group's businesses, the Board considers the current Board size as appropriate. The current Board comprises members who as a group provide core competencies necessary to meet the Group's needs. These competences include accounting and finance, legal, business acumen, industry knowledge and management experience.

Meeting of Directors without Management

At each Board meeting and as and when warranted, the Board sets aside time to meet without the presence of the executive Director and management. The Board is hence of the view that it is not necessary to pre-arrange formal sessions.

Chairman and Chief Executive Officer

Principle 3 There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.

Separation of the Role of Chairman and Chief Executive Officer

The offices of Chairman of the Board and CEO are held by separate individuals to maintain effective oversight and accountability at Board and management levels. As Chairman of the Board, Mr. Koh Boon Hwee bears responsibility for the workings of the Board. Mr. Tjong Yik Min, as Group CEO, bears responsibility for overall running of the Group's businesses.

The Chairman leads the Board to ensure the effectiveness on all aspects of its role. He ensures that the members of the Board receive accurate, clear and timely information, facilitates the contribution of non-executive Directors, encourages constructive relations between executive, non-executive Directors and management, ensures effective communication with shareholders and promotes a high standard of corporate governance. The Chairman, in consultation with the management and the Company Secretary, sets the agenda for Board meetings and ensures that Board members are provided with adequate and timely information. As a general rule, Board papers are sent to Directors at least three days in advance in order for Directors to be adequately prepared for the meeting. Key management staff who have prepared the papers, or who can provide additional insights into the matters to be discussed are invited to present the paper during the Board meetings.

At AGMs and other shareholder meetings, the Chairman plays a pivotal role in fostering constructive dialogue between shareholders, the Board and management.

1 Independent Director since 20 February 2012.
2 Independent Director since date of appointment to the Board.

The Board is of the view that the Company has effective independent non-executive Directors to provide balance within the workings of the Board and oversight for minority shareholders' interests. In addition, Mr. S. Chandra Das acts as the lead independent non-executive Director. Mr. Das is Chairman of the NC. Shareholders with concerns may contact him directly, when contact through the normal channels via the Chairman or other management personnel has failed to provide satisfactory resolution, or when such contact is inappropriate. The lead independent Director will lead meetings of the independent Directors without the presence of the Chairman and non-independent Directors as and when warranted.

Board Membership

Principle 4 There should be a formal and transparent process for the appointment and re-appointment of Directors to the Board.

Continuous Board Renewal

Periodic reviews of the Board composition, including the selection of candidates for new appointments to the Board, are made by the NC as part of the Board's renewal process. Candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board, including gender. The selection of candidates is evaluated taking into account various factors including the current and mid-term needs and objectives of the Group, as well as the relevant expertise of the candidates and their potential contributions. Candidates may be put forward or sought through contacts and recommendations.

NC Composition & Recommendations

The NC comprises four Directors, namely, Mr. S. Chandra Das (Chairman of NC), Mr. Ngiam Tong Dow, Mr. Chang See Hiang and Dato' Mohamed Nizam bin Abdul Razak. All four of them are independent Directors.

The principal roles of the NC are:

i. reviewing board succession plans for Directors including the Chairman and CEO;

ii. evaluating the performance of the Board and the contribution of each Director;

iii. re-nominating Directors and determining the independence of Directors;

iv. reviewing training and professional development programs for the Board; and

v. identifying candidates and reviewing all nominations for the appointment or re-appointment of members of the Board of Directors and the members of the various Board committees for the purpose of proposing such nominations to the Board for its approval.

At each AGM, one third of the Directors, including the CEO who also serves on the Board (or, if their number is not a multiple of three, the number nearest to but not less than one-third), shall retire from office by rotation. Directors appointed by the Board during the financial year, without shareholders' approval at the AGM, shall only hold office until the next AGM, and thereafter be eligible for re-election at the AGM. The NC considers the present guidelines adequate and does not recommend any change to the Company's AA. In addition, Directors of 70 years of age and above are required by law to stand for re-appointment every year at the AGM.

The NC takes into consideration for the re-nomination of Directors for the ensuing term of office factors such as attendance, preparedness, participation and candour at meetings of the Board and Board committees.

Directors' Time Commitments

The responsibilities of the NC also include assessing annually whether Directors who hold multiple directorships adequately carry out their duties as Directors of the Company. The NC's assessments are based on Directors' declarations made annually and from time to time taking into consideration that multiple representations can benefit the Group as these Directors bring to the Board greater depth and diversity of experience, knowledge and perspectives.

The NC is satisfied that all Directors on the Board are seasoned professionals with extensive management, financial, accounting, investment and commercial backgrounds, who are capable of acting responsibly and are able to properly serve on the Board and any of the Board committees to which such Directors are appointed despite competing commitments and demands on their time. The Board has accordingly not set a maximum number of other company directorships which a Director may concurrently hold.

Board Performance

Principle 5 There should be a formal annual assessment of the effectiveness of the Board as a whole and its board committees and the contribution by each director to the effectiveness of the Board.

Board Evaluation Process

The NC has put in place a formal Board evaluation process. Directors were requested to complete evaluation questionnaires which assess the effectiveness of the Board and the Chairman of the Board. The questionnaire included assessment criteria such as the size of the Board, the degree of independence of the Board, information flow from management, and adequacy of the Board and committees' meetings held to enable proper consideration of issues. The results of the performance evaluation are presented first to the Chairman and then to the Board. The Board would act on the results where appropriate. The Board is of the opinion that a criterion such as share price performance is not appropriate for assessment of non-executive Directors and the Board's performance as a whole.

Access to Information

Principle 6 In order to fulfil their responsibilities, directors should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

Complete, Adequate and Timely Information

Board members are provided with management information including country performance, budgets, forecasts, funding position, capital expenditure, and manpower statistics of the Group prior to each Board meeting to enable them to keep abreast of the Group's performance, financial position and prospects. Any material variance between budgets, projections and actual results are disclosed and explained. All relevant information on material events and transactions are circulated to Directors as and when they arise.

Company Secretary

Board members have separate and independent access to the Company's senior management and the Company Secretary, and *vice versa*. The Company Secretary attends all meetings of the Board and Board committees and assists the Chairman to ensure that Board procedures are followed and that there is good information flow. Where queries made by the Directors are channelled through the Company Secretary, the Company Secretary ensures that such queries are answered promptly by management. The appointment and removal of the Company Secretary is a Board reserved matter.

Independent Professional Advice

Directors, individually or as a group, in furtherance of their duties and after consultation with the Chairman of the Board, are authorised to seek independent professional advice at the Company's expense.

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 7 There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

RC Composition

The RC comprises three independent non-executive Directors, namely, Dr. Tan Chin Nam (Chairman of RC), Mr. S. Chandra Das and Dato' N. Sadasivan a/l N.N. Pillay. All three members, having managed large organisations are experienced and knowledgeable in the field of executive compensation. In addition, they have access to the Company's Human Resource personnel should they have any queries on human resource matters. If the RC requires external professional advice, such professionals would be engaged at the Company's expense. For the financial year under review, the Company did not engage any remuneration consultant with regard to the remuneration of Directors.

The RC's principal functions include:

i. reviewing and approving the structure of the compensation policies of the Group so as to align compensation with shareholders' interests;

ii. recommending the fees of the non-executive Directors;

iii. reviewing executive Directors and CEO's remuneration packages; and

iv. approving share incentives and share ownership for staff.

Level and Mix of Remuneration

Principle 8 The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.

The Company adopts a remuneration policy for staff that is primarily performance based. Remuneration comprises a fixed and a variable component. The fixed component consists of a base salary, fixed allowance and an annual wage supplement. The variable component is in the form of a variable bonus that is linked to the Company's and the individual's performance.

The Company has in place the following incentive schemes:

i. a short-term performance bonus plan for staff based on a tiered bonus pool which is determined by the achievement of certain key financial and operational performance indicators that have been approved by the RC and the Board at the beginning of the year;

ii. a medium-term performance bonus plan for key management personnel based on a tiered bonus pool that is pegged to the growth rate in the 3-year weighted moving average of a key financial performance indicator; and

iii. a long-term share-based incentive plan (the YHS Share Incentive Plan) as part of the continuing efforts to reward, retain and motivate key management personnel. This plan is administered by the RC. Further information on the YHS Share Incentive Plan can be found in the Directors' Report in the Annual Report.

The CEO will evaluate *inter alia* the extent to which the above indicators have been achieved based on the Company's performance, the staff's performance as well as the criticality of the function or position, and recommend for the approval of the RC and the Board, the bonus pool quantum for distribution and the share awards to be granted. Share awards released during the financial year under review were reflective of satisfying the conditions set for awards at the time of grant.

Executive Director's Remuneration

The Board has only one executive Director, namely the CEO, and he does not receive Director's fees.

In setting the remuneration package of the executive Director, the Company makes a comparative study of the package of executive Director in comparable industries and takes into account the performance of the Company and that of the executive Director. The remuneration package of the executive Director is made up of fixed and variable components. The fixed remuneration comprises annual basic salary, fixed allowances and annual wage supplement. The variable component is subject to the same incentive bonus plans detailed above. In line with his seniority and greater responsibilities, the proportion, quantum and distribution basis are structured differently from that for the staff. Currently, the executive Director does not receive any share awards.

The employment contract for the CEO does not have fixed-term tenure and does not contain onerous removal clauses. In addition to the remuneration terms described above, the CEO receives a contractual bonus and has a dual employment contract with the controlling shareholder or its related company.

Non-executive Directors' Remuneration

Non-executive Directors have no service contracts with the Company and their terms are specified in the AA. Non-executive Directors are paid a basic fee, an additional fee for serving on any of the committees and an attendance fee for participation in meetings of the Board and any of the committees. In determining the quantum of such fees, factors such as frequency of meetings, time spent, responsibilities of Directors, and the need to be competitive in order to attract, motivate and retain these Directors are taken into account. The Chairman and members of the AC receive higher additional fees to take into account the nature of their responsibilities and the greater frequency of meetings. The aggregate fees of the non-executive Directors are subject to the approval of the shareholders at the AGM.

REPORT ON CORPORATE GOVERNANCE

Director fees and additional fees for serving on Board committees and attendance fees are paid to non-executive Directors in accordance with the following framework:

Fee Structure	Financial Year 2014
	$
Chairman (Flat Fee)	350,000
Deputy Chairman & Lead Independent Director (1)	120,000
Non-executive Directors – Basic Fee	40,000
Audit Committee – Chairman	40,000
Audit Committee – Member	20,000
Other Committee – Chairman	10,000
Other Committee – Member	6,000
Attendance Fee – Singapore (2)	1,000
Attendance Fee – Overseas (2)	2,000

Annotation:
(1) Inclusive of $60,000 payable for appointment as Chairman of YHS (Singapore) Pte Ltd, the Company's wholly-owned subsidiary.
(2) Attendance fees are payable on a per day basis, regardless of the number of meetings held on the same day.

Disclosure of Remuneration

Principle 9 Every company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration, in the company's Annual Report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.

The remuneration of the executive and non-executive Directors and the key management personnel are as follows:

Non-executive Directors	Directors' Fees (1)
	$
Koh Boon Hwee	350,000
S. Chandra Das (2)	201,000
Wee Kheng Jin	46,874
Chang See Hiang	55,373
Chin Yoke Choong	66,874
Irwin David Simon (3)	12,493
Dato' Mohamed Nizam bin Abdul Razak	33,633
Ngiam Tong Dow	90,249
Dato' N. Sadasivan a/l N.N. Pillay	33,633
Encik Razman Hafidz bin Abu Zarim	44,260
Tan Chin Nam	53,751

Executive Director	Total Gross Remuneration	Fixed Salary (4)	Variable Bonus (5)	Benefits-in-kind & Others (6)
	$	%	%	%
Tjong Yik Min	1,553,778	85.8	6.4	7.8

Key Management Personnel	Designation	Remuneration Band	Fixed Salary (4)	Variable Bonus (5)	Benefits-in-kind & Others (6)	Long-term Incentives (7)
		$	%	%	%	%
Yap Ng Seng	Deputy Chief Executive Officer	$750,000 to $999,999	77.3	12.4	10.3	Nil
Sueann Lim	Executive Vice President, Research & Development / Quality Assurance	$500,000 to $749,999	81.5	Nil	13.6	4.9
Ronnie Chung	Senior Vice President, Commercial Singapore, Indochina, South & East Asia, Africa & Pacific Islands	$250,000 to $499,999	80.2	2.5	9.9	7.4
Joanne Lim	Company Secretary and Senior Vice President, Group Human Resource	$250,000 to $499,999	80.1	Nil	12.5	7.4
Ong Chay Seng	Chief Operating Officer, YHS Malaysia	$250,000 to $499,999	74.3	1.2	16.2	8.3
Cyndi Pei	Group Financial Controller	$250,000 to $499,999	75.4	Nil	10.9	13.7
Lee Hon Seng	General Manager, Commercial Malaysia & President Director, PT YHS Indonesia	Up to $250,000	71.2	2.9	15.5	10.4

The aggregate remuneration paid to the above key management personnel in the financial year under review was $2,877,773.

Annotations:
(1) Non-executive Directors' fees as shown are on a paid basis, and relates to services rendered in respect of the previous financial year ended 31 December 2013.
(2) Inclusive of $60,000 for appointment as Chairman of YHS (Singapore) Pte Ltd, the Company's wholly-owned subsidiary.
(3) Pro-rated fees as Mr. Irwin Simon retired from the Board of Directors at the conclusion of the AGM held on 24 April 2013.
(4) Fixed Salary refers to base salary, annual wage supplement, fixed allowances and contractual bonuses, where applicable.
(5) Variable Bonus refers to cash bonuses awarded for performance for the year ended 31 December 2014.
(6) Benefits-in-kind & Others are stated on the basis of direct costs to the Group and is inclusive of payments in respect of company (employer) statutory contributions to the Singapore Central Provident Fund, Malaysia Employees Provident Fund, tax equalisation, car benefits, children's education, club membership and housing rental, where applicable.
(7) Long-term Incentives refers to awards of shares in the Company. The share-based remuneration is the fair value of the awards based on the market price per share at grant date and recognised over the vesting period.

The Company has decided against the inclusion of an annual remuneration report in this Report as the matters required to be disclosed therein have been disclosed in this Report, the Directors' Report and the notes to the financial statements. The Board responds to queries from shareholders at AGMs on matters pertaining to remuneration policies and Directors' remuneration. Accordingly, it is the opinion of the Board that there is no necessity for such policies to be approved by shareholders.

There are no employees of the Group who are the immediate family members of any of the Directors or the CEO and whose remuneration exceeds $50,000 in the financial year under review. There were no termination, retirement or post-employment benefits granted to the Directors, the CEO or the key management personnel (who are not Directors or the CEO) during the financial year under review.

ACCOUNTABILITY AND AUDIT

Accountability

Principle 10 The Board should present a balanced and understandable assessment of the company's performance, position and prospects.

The Company is committed to providing a balanced and clear assessment of the Group's performance, financial position and prospects through timely reporting of its quarterly and full-year results. The Company has in place a system of reporting to maintain compliance with statutory and regulatory reporting requirements. Negative assurance statements were issued by the Board with each quarterly financial report to confirm that to the best of its knowledge, nothing had come to its attention which would render the Company's quarterly results false or misleading in any material respect.

Risk Management and Internal Controls

Principle 11 The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

The Board is primarily responsible for the governance of risk.

The Company's internal auditor reviews the implementation of the policies and procedures adopted and reports its findings to the AC to provide check and balance.

The Company's external auditors carry out, in the course of the statutory audit, an assessment of the risks of material misstatement of the financial statements of the Company, whether due to fraud or error, and highlight any material internal control weaknesses that have come to its attention during the conduct of its normal audit procedures, which are designed primarily to enable it to express its opinion on the financial statements. Any material internal control weaknesses, identified during its audit and its recommendations, are reported to the AC.

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, and reviews performed by management and various Board Committees, the Board, with the concurrence of the AC, is of the opinion that the Group's internal controls and risk management systems were adequate and effective as at 31 December 2014 to address financial, operational, compliance and information technology risks, which the Group considers relevant and material to its operations. The system of internal controls and risk management established by the Group provides reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. However, the Board also notes that no system of internal controls and risk management can provide absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, losses, fraud or other irregularities.

The identification and management of financial risks are outlined under the Notes to the Financial Statements of the Annual Report.

The main operational risks are as follows:

i. risk of product contamination and product integrity in the manufacturing process. The Company has established a strong Group Research & Development and Quality Assurance Centre in Singapore which oversees and monitors product integrity and manufacturing processes across the Group;

ii. risk of over-stocking and potential write-offs should there be a sudden change in market condition. The management constantly monitors production, inventory holding and sales to reduce the risk of over-stocking;

iii. risk of ineffective advertising & promotion and selling expenses being incurred which do not generate the expected sales and profits. The management constantly monitors major advertising & promotion programmes and sets key performance indicators to monitor spending against the sales and profitability;

iv. change in operational conditions including fluctuation in raw material prices and labour issues that affect the cost of doing business. To avoid over-dependence on any one supplier and service provider, the Group has a policy to have more than one supplier where practicable. The Group will monitor and judiciously lock in raw material prices where appropriate and possible in order to contain raw material cost;

v. risk of disruptions to supplies, brand equity and cash flow arising from the rationalisation and relocation of factories within the Group. The Group sets up dedicated task force to plan, monitor and track the implementation of all such projects. Where necessary, the Group will engage third-party professional advisors to support project team members;

vi. loss of capacity at any particular plant within the Group due to unforeseen circumstances that affect the supply and the business. The Group, where possible, will have more than one manufacturing site or a third-party contract manufacturer to serve as back-up to cushion the impact;

vii. disruptions to business due to failure of MIS system. The Group has an off-site recovery centre, a MIS recovery plan and manual back-up procedures;

viii. risk of disruptions due to departure of key management personnel. The Group has a compensation scheme that seeks to attract and retain talent and prepares for succession of key appointment holders;

ix. risk of financial loss to the Group as a result of management taking excessive risks or embarking on short-term programmes that may have negative impact in the long-term. The Group has compensation scheme that contains both financial and operational KPIs in order to encourage and reward performance without undue risks. The scheme also provides both short-term and medium-term bonus to encourage the management to balance the short-term initiatives with medium-term plans; and

x. as the Group expands overseas, there will be country risks. All such ventures are tabled before the Board for deliberation and decision, taking into consideration the risk and rewards of the venture, and the risk appetite of the Group as a whole.

For the financial year under review, the CEO and the Group Financial Controller have provided assurance to the Board that the financial records have been properly maintained, the financial statements give a true and fair view of the Group's operation and finances and the Group's risk management and internal control systems are effective.

Audit Committee

Principle 12 The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties.

Composition of the AC

The AC comprises four non-executive Directors, namely, Mr. Ngiam Tong Dow (Chairman of AC), Mr. S. Chandra Das, Mr. Chin Yoke Choong and Encik Razman Hafidz bin Abu Zarim. All four members are independent Directors. The NC is of the view that the members of the AC have sufficient financial management expertise and experience to discharge the AC's functions.

Authority and Duties of the AC

The AC has full access to and co-operation from the Company's management and the internal auditors, and has full discretion to invite any Director or executive officer to attend its meetings. The executive Director, at the invitation of the AC, participate in the AC's deliberations.

The AC performs the following main functions:

i. reviewing with the external auditors their audit plan, audit reports, significant financial reporting issues and judgements, the nature, extent and costs of non-audit services and any matters which the external auditors wish to discuss;

ii. reviewing and reporting to the Board the scope and results of internal audit procedures and evaluation of the adequacy and effectiveness of the overall internal control system;

iii. reviewing and recommending to the Board for approval the first three quarterly financial statements and full-year financial results and related SGXNET announcements;

REPORT ON CORPORATE GOVERNANCE

iv. reviewing and approving the appointment, re-appointment, or the dismissal of the internal auditors and the scope and effectiveness of the internal audit function;

v. reviewing the scope and results of the external audit, and the independence and objectivity of the external auditors;

vi. recommending to the Board the appointment, re-appointment or change of the external auditors, taking into consideration (where applicable) the scope and results of the audit and its cost effectiveness, and their remuneration and engagement terms;

vii. assisting the Board in the oversight of risk management including reviewing and recommending to the Board on an annual basis the type and level of business risks that YHS should undertake to achieve its business objectives, the appropriate framework and policies for managing risks that are consistent with YHS's risk appetite, recommendation on a set of risk tolerance levels for YHS's key risks to ensure that there is clarity on the thresholds within which the Group should operate and the adequacy of resources required to carry out its risk management functions effectively;

viii. reviewing interested party transactions to consider whether such transactions is carried out on normal commercial terms and whether the terms are prejudicial to the interest of the Company and its minority shareholders and issue a statement on the views expressed and to recommend to the Board appropriate actions to be taken depending on the classification of the transactions in accordance with the Listing Manual of the Singapore Exchange Securities Trading Limited;

ix. reviewing the whistle-blowing policy and arrangements for staff to raise concerns and improprieties in confidence, and ensure that these arrangements allow independent investigation of such matters and appropriate follow up action;

x. reviewing improper activities, suspected fraud or irregularities and report to the Board, where necessary; and

xi. performing any other functions which may be agreed by the AC and the Board.

The AC has the power to investigate any matter brought to its attention and any matters within its terms of reference. It also has the power to seek professional advice at the Company's expense.

Where relevant, the AC makes reference to the best practices and guidance in the Guidebook for Audit Committees in Singapore issued by the Audit Committee Guidance Committee, practice directions issued from time to time in relation to Financial Reporting Surveillance Programme administered by the Accounting and Corporate Regulatory Authority of Singapore, and the Risk Governance Guidance for Listed Boards issued by the Corporate Governance Council.

In reviewing the annual financial statements, the AC discussed with the external auditors the accounting principles that were applied and their judgement of items that might affect the integrity of the financial statements. Following the review and discussions, the AC will then recommend to the Board where appropriate the release of the full-year financial statements.

Minutes of the AC meetings are regularly tabled at Board meetings for information.

External Auditors

The AC recommends to the Board the appointment, re-appointment or change of the external auditors, and their remuneration and terms of engagement. The appointment of the external auditors is subject to shareholders' approval at each AGM of Company.

The AC will meet the external auditors, and with the internal auditors, without the presence of management, at least annually.

The AC reviews the independence and objectivity of the external auditors through discussions with them as well as an annual review of the volume and nature of non-audit services provided by the external auditors. The AC is satisfied with the independence and objectivity of the external auditors.

The fees paid to the Company's external auditors are as disclosed in the table below:

External Auditor's Fees for FY2014	$'000	% of Total Fees
Audit Fees	626	97.8%
Non-audit Fees	14	2.2%
Total Fees	640	100%

The Company has complied with Rules 712, 715 and 716 in relation to the Company's appointment of auditing firms. Where auditing firms other than the Company's external auditors are engaged as auditors by foreign-incorporated subsidiaries or associated companies, such foreign-incorporated subsidiaries or associated companies are not significant in the sense of Rule 718.

Whistle-blowing Policy

The Company has put in place a whistle-blowing framework, endorsed by the AC, under which employees of the Group may, in confidence raise concerns about possible corporate irregularities in matters of financial reporting or other matters.

Internal Audit

Principle 13 The company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

During the financial year, the Company appointed Deloitte Enterprise Risk Services Sdn Bhd ("Deloitte") as the Company's internal auditors. Deloitte reports directly to the AC.

The AC assesses, at least annually, the adequacy of the internal audit function. Having regard to the Standards for the Professional Practice of Internal Auditing of the Institute of Internal Auditors, and having reviewed the functions and organisational structure of Deloitte, the AC is satisfied that Deloitte meets the requisite standards, is adequately resourced, and has appropriate standing within the Company.

SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Shareholder Rights

Principle 14 Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.

The Company strives for timeliness and transparency in its disclosures to shareholders and the public.

Communication with Shareholders

Principle 15 Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.

In addition to regular dissemination of information through SGXNET, the Company also attends to general enquiries from shareholders, investors, analysts, fund managers and the press. Such inquiries are handled by management staff and/or the CEO in lieu of a dedicated investor relations unit. Information on the Company and its businesses is also made available on the Company's website: www.yeos.com.sg. The Company does not practise selective disclosure. Price sensitive information is first publicly released before the Company meets with any group of investors or analysts. With effect from financial year 2003, the Company adopted quarterly reporting to shareholders. Financial results and other price sensitive public announcements are presented by the Company through a balanced and understandable assessment of the Group's performance, position and prospects.

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Dividend Policy

The Company does not have a stated policy of distributing a fixed percentage of earnings by way of dividend in any year. Rather, in fixing a dividend for any year it considers a number of factors including current and forecast earnings, internal capital requirements, growth options and the Company's debt equity position.

Conduct of Shareholder Meetings

Principle 16 Companies should encourage greater shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the company.

Shareholders are informed of shareholders' meetings through published notices and reports or circulars sent to all shareholders. Notice of the meeting is also advertised in a daily English language newspaper circulating generally in Singapore. The procedures for all shareholders' meetings provide shareholders the opportunity to air their views and ask questions relating to each resolution before putting the resolution to the vote. Resolutions to be tabled at general meetings are separate unless they are interdependent, and the reasons and material implications are explained to enable shareholders to make an informed decision.

Members of the Board, the Chairman of each of the Board committees, senior management, external auditors, legal advisors and management are in attendance at general meetings of shareholders.

The Company Secretary prepares the minutes of shareholders' meetings which include substantial comments and queries from shareholders, and the responses from the Board and management. Minutes of shareholders' meetings are available to shareholders upon request and authentication of shareholder identity by the Company.

The Company's AA allows a member of the Company to appoint up to two proxies to attend and vote in place of the member. The Company also allows investors, who hold shares through nominees to attend shareholders' meetings as observers without being constrained by the two-proxy rule.

The Board is of the opinion that the Company does not need to amend its AA to provide for absentia voting method, which is costly to implement.

The Board will implement poll voting at general meetings of shareholders when it is made mandatory under Listing Manual of the Singapore Exchange Securities Trading Limited. For the present, the Board will not be implementing poll voting. As the controlling shareholder holds more than fifty per cent of the Company's issued voting shares, except for special resolutions and resolutions that the controlling shareholder is disallowed, by applicable rules or regulations, from voting, the outcome of the voting on all other resolutions will be a foregone conclusion if voting is conducted by poll, whether it is *ad hoc* or as a matter of routine. This should not, in itself, dampen the enthusiasm of minority shareholders to express their views or comment on the resolutions at the shareholders' meetings, nor discourage minority shareholders' activism. Manual poll voting is also time-consuming and the time-efficient alternative of electronic poll voting is costly. Instead, and for transparency, the Company will disclose, proxies received by the Company directing the Chairman to vote (as proxy for members) for or against the motions at the general meetings.

CODE OF BUSINESS ETHICS

The Group has adopted a Code of Business Ethics to regulate the standards and ethical conduct of the Group's employees who are required to observe and maintain high standards of integrity.

DEALINGS IN SECURITIES

An internal policy/guideline on share dealings, based on the recommendations of the Singapore Exchange Securities Trading Limited has been issued to all relevant employees of the Group to provide guidance on dealings in the shares of the Company.

MATERIAL CONTRACTS

No material contracts were entered into by the Company or any of its subsidiaries involving the interest of the CEO, any director or controlling shareholder, either still subsisting at the end of the year or entered into since the end of the previous financial year.

INTERESTED PERSON TRANSACTIONS

Interested person transactions carried out during the financial year which fall under Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited are as follows:

Name of interested person	**Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)**	
	2014 $'000	**2013 $'000**
Related parties privately held by the shareholders of the Company's ultimate holding company		
Project management, sales, marketing & administrative expenses paid/payable	-	366
Professional fees paid/payable	-	245
Sale of goods and services	119	153
Sino Land Company Limited Group, a shareholder of the Company		
Operating lease expense paid/payable	-	128

The Company does not have any shareholders' mandate for interested person transactions.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Koh Boon Hwee
Chairman

Mr. S. Chandra Das
Deputy Chairman & Lead Independent Director

Mr. Tjong Yik Min
Executive Director & Group Chief Executive Officer

Mr. Melvin Teo Tzai Win
Executive Director & Chief Executive Officer Designate

Mr. Wee Kheng Jin
Non-executive Director

Mr. Chang See Hiang
Independent & Non-executive Director

Mr. Chin Yoke Choong
Independent & Non-executive Director

Dato' Mohamed Nizam bin Abdul Razak
Independent & Non-executive Director

Mr. Ngiam Tong Dow
Independent & Non-executive Director

Dato' N. Sadasivan a/l N.N. Pillay
Independent & Non-executive Director

Encik Razman Hafidz bin Abu Zarim
Independent & Non-executive Director

Dr. Tan Chin Nam
Independent & Non-executive Director

COMPANY SECRETARY

Ms. Joanne Lim Swee Lee

AUDIT COMMITTEE

Mr. Ngiam Tong Dow
Chairman

Mr. S. Chandra Das
Member

Mr. Chin Yoke Choong
Member

Encik Razman Hafidz bin Abu Zarim
Member

NOMINATING COMMITTEE

Mr. S. Chandra Das
Chairman

Mr. Ngiam Tong Dow
Member

Mr. Chang See Hiang
Member

Dato' Mohamed Nizam bin Abdul Razak
Member

REMUNERATION COMMITTEE

Dr. Tan Chin Nam
Chairman

Mr. S. Chandra Das
Member

Dato' N. Sadasivan a/l N.N. Pillay
Member

EXECUTIVE COMMITTEE

Mr. Koh Boon Hwee
Chairman

Mr. S. Chandra Das
Member

Mr. Tjong Yik Min
Member

Mr. Wee Kheng Jin
Member

REGISTERED OFFICE

3 Senoko Way
Singapore 758057

Tel : (65) 6752 2122
Fax : (65) 6752 3122
Website : www.yeos.com.sg

SHARE REGISTRAR

B.A.C.S. Private Limited
63 Cantonment Road
Singapore 089758

Tel : (65) 6593 4848
Fax : (65) 6593 4847

INDEPENDENT AUDITOR

KPMG LLP
16 Raffles Quay
#22-00 Hong Leong Building
Singapore 048581

PARTNER-IN-CHARGE

Mr. Jeya Poh Wan Suppiah
Appointment : 2014

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DIRECTORS' REPORT

The directors present their report to the members together with the audited financial statements of the Group for the financial year ended 31 December 2014 and the balance sheet of the Company as at 31 December 2014.

DIRECTORS

The directors of the Company in office at the date of this report are as follows:

Koh Boon Hwee
S. Chandra Das
Tjong Yik Min
Melvin Teo Tzai Win (Appointed on 1 January 2015)
Chang See Hiang
Wee Kheng Jin
Chin Yoke Choong
Ngiam Tong Dow
Tan Chin Nam
Dato' Mohamed Nizam bin Abdul Razak
Razman Hafidz bin Abu Zarim
Dato' N. Sadasivan a/l N.N. Pillay

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Except as disclosed under the "YHS Share Incentive Plan" section of this Report, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

(a) According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or any related corporations.

(b) The directors' interests in the ordinary shares of the Company as at 21 January 2015 were the same as those as at 31 December 2014.

DIRECTORS' CONTRACTUAL BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest, except as disclosed in the accompanying financial statements and in this report, and except that certain directors have employment relationships with related companies and have received remuneration in those capacities.

SHARE INCENTIVE PLAN

YHS Share Incentive Plan

The YHS Share Incentive Plan (the "Plan") was approved and adopted by the members of the Company at an Extraordinary General Meeting held on 26 April 2010. The Remuneration Committee has been designated as the committee ("Committee") responsible for the administration of the Plan. The Committee comprises Mr. S. Chandra Das, Dato' N. Sadasivan a/l N.N. Pillay and Dr. Tan Chin Nam.

SHARE INCENTIVE PLAN (continued)

YHS Share Incentive Plan (continued)

The Plan is an omnibus share incentive scheme which amalgamates a share option plan component and a performance share plan component. Participants will be selected at the sole discretion of the Committee from eligible categories of persons comprising (i) employees and directors of the Group, (ii) employees and directors of associated companies, and (iii) associates (being employees of companies within the Far East Organization) who spend more than half of their time performing services out-sourced by the Company to the associates' employer. Persons who are the Company's controlling shareholders or their associates (as those terms are defined in the Listing Manual of the Singapore Exchange Securities Trading Limited) will not be eligible to participate in the Plan. The aggregate number of new shares which may be issued pursuant to options and/or awards granted under the Plan on any date, when added to the number of new shares issued and issuable in respect of all options and awards granted under the Plan, shall not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company. Unless earlier terminated or extended with the approval of the members of the Company, the Plan will continue in force, at the discretion of the Committee, for a maximum period of 10 years commencing on the date of its adoption.

Under the share option plan component, an option granted pursuant to the Plan represents a right to acquire ordinary shares in the Company at the acquisition price per share applicable to the option. The acquisition price per share is fixed at the time of the grant of the option and may be set at the market price, or at a discount to the market price, or at the market price subject to adjustment with a discount if prescribed performance conditions are met, or at a premium to the market price. Any discount given must not exceed 20% of the market price of a share.

Under the performance share plan component, an award granted represents a contingent right to receive fully paid ordinary shares in the Company, their equivalent cash value or combinations thereof, free of charge, provided that prescribed performance targets (if any) are met and upon expiry of the prescribed vesting periods.

Subject to the Plan size and the individual and collective limits applicable to associates under the Plan, the number of shares that will be comprised in an option or award, and the terms thereof, including any vesting or other conditions, will be determined by the Committee at its sole discretion having regard to various factors such as (but not limited to) the participant's capability, responsibilities, skill sets, and the objective desired to be achieved through the grant.

The person to whom the awards have been granted has no right to participate by virtue of the award in share issue of any other company.

Grants of awards were made pursuant to the Plan in 2014. The following table sets out the movements in awards granted pursuant to the Plan and their weighted average fair values at grant date.

Number of ordinary shares under award	**2014**	2013
Beginning of financial year	**476,000**	376,000
Granted during the year	**24,000**	339,000
Shares issued during the year	**(233,000)**	(206,000)
Forfeited during the year	**-**	(33,000)
End of financial year	**267,000**	476,000
Weighted average fair value per award based on market price per share at grant date	**$2.54**	$2.16
Weighted average remaining contractual life (days)	**218**	342

No option was granted during the financial year to subscribe for unissued shares of the Company.

No shares were issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the financial year.

AUDIT COMMITTEE

The members of the Audit Committee at the end of the financial year were as follows:

Ngiam Tong Dow (Chairman)
S. Chandra Das
Chin Yoke Choong
Razman Hafidz bin Abu Zarim

All members of the Audit Committee were independent non-executive directors.

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act, including a review of the balance sheet of the Company and the consolidated financial statements of the Group for the financial year ended 31 December 2014 and the Independent Auditors' Report thereon. The Audit Committee has full access to management, has discretion to invite any director or executive officer to attend its meetings and is given the resources required for it to discharge its functions.

The Audit Committee has also reviewed the following:

(i) the adequacy of the Group's internal accounting control system and its internal control procedures relating to interested person transactions;

(ii) the compliance with legal and other regulatory requirements;

(iii) the adequacy and effectiveness of the Group's internal audit function at least annually, including the adequacy of internal audit resources and its appropriate standing within the Group, as well as the scope and results of the internal audit procedures;

(iv) the appointment of the external auditors and the level of audit and non-audit fees;

(v) the co-operation given by the Company's management and officers to the independent auditor;

(vi) the review of independent auditor's audit plan, audit report and any recommendations on internal accounting controls arising from the statutory audit; and

(vii) any other matter which in the Audit Committee's opinion, should be brought to the attention of the Board.

The Audit Committee is satisfied with the independence and objectivity of the independent auditor, KPMG LLP, and has recommended to the Board that KPMG LLP be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

INDEPENDENT AUDITOR

The independent auditor, KPMG LLP, has expressed its willingness to accept re-appointment.

On behalf of the directors

TJONG YIK MIN Director	KOH BOON HWEE Director

26 February 2015

STATEMENT BY DIRECTORS

In the opinion of the directors,

(a) the balance sheet of the Company and the consolidated financial statements of the Group as set out on pages 36 to 101 are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2014 and of the results of the business, changes in equity and cash flows of the Group for the financial year then ended; 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.

On behalf of the directors

TJONG YIK MIN Director	KOH BOON HWEE Director

26 February 2015

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Yeo Hiap Seng Limited (the "Company") and its subsidiaries (the "Group"), which comprise the balance sheets of the Group and the Company as at 31 December 2014, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 36 to 101.

Management's Responsibility 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 Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, 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 profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditors' Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2014 and the results, changes in equity and cash flows of the Group for the year ended on that date.

Other Matters
The financial statements of the Group for the financial year ended 31 December 2013 were audited by another auditor who expressed an unmodified opinion on those statements on 6 March 2014.

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 subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

KPMG LLP
Public Accountants and
Chartered Accountants
Singapore, 26 February 2015

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2014

	Note	2014 $'000	2013 $'000
Revenue	4	**437,604**	515,330
Cost of sales		**(273,905)**	(301,212)
Gross profit		**163,699**	214,118
Other income	5	**6,050**	4,792
Other gains - net	6	**6,746**	25,309
Expenses			
- Marketing and distribution		**(118,278)**	(121,644)
- Administrative		**(24,886)**	(29,083)
- Finance	9	**(30)**	(122)
Share of profit of associated companies		**542**	500
Profit before income tax		**33,843**	93,870
Income tax expense	10	**(4,892)**	(6,232)
Net profit attributable to equity holders of the Company		**28,951**	87,638
Other comprehensive (losses)/income:			
Items that may be reclassified subsequently to profit or loss:			
Available-for-sale financial assets			
- Fair value (losses)/gains		**(99,090)**	47,196
- Reclassification		**(1,978)**	(21,286)
Currency translation gains arising from consolidation		**2,651**	1,944
		(98,417)	27,854
Items that will not be reclassified subsequently to profit or loss:			
Revaluation gain on property, plant and equipment		**-**	1,322
Other comprehensive (losses)/income, net of tax	10	**(98,417)**	29,176
Total comprehensive (losses)/income attributable to equity holders of the Company		**(69,466)**	116,814
Earnings per share attributable to equity holders of the Company (expressed in cents per share)			
- Basic	11	**5.04**	15.26
- Diluted	11	**5.04**	15.25

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

BALANCE SHEETS
As at 31 December 2014

	Note	The Group 2014 $'000	The Group 2013 $'000	The Company 2014 $'000	The Company 2013 $'000
ASSETS					
Current assets					
Cash and cash equivalents	12	**130,821**	189,632	**85,978**	104,237
Trade and other receivables	13	**67,991**	86,986	**60,933**	55,734
Inventories	14	**62,556**	68,667	**-**	-
Current income tax recoverable	10	**1,534**	1,155	**-**	-
		262,902	346,440	**146,911**	159,971
Non-current assets					
Available-for-sale financial assets	15	**148,971**	250,371	**530**	360
Loans to subsidiaries	16	**-**	-	**152,623**	152,008
Investments in associated companies	17	**5,157**	5,326	**-**	-
Investments in subsidiaries	18	**-**	-	**305,875**	305,875
Investment properties	19	**105,205**	99,727	**75,000**	63,631
Property, plant and equipment	20	**194,505**	154,705	**731**	763
Intangible assets	21	**-**	-	**-**	-
Deferred income tax assets	22	**2,651**	3,415	**-**	-
		456,489	513,544	**534,759**	522,637
Total assets		**719,391**	859,984	**681,670**	682,608
LIABILITIES					
Current liabilities					
Trade and other payables	23	**74,412**	95,879	**191,403**	160,338
Current income tax liabilities	10	**1,043**	4,934	**209**	238
Borrowings	24	**2,400**	7,036	**-**	-
		77,855	107,849	**191,612**	160,576
Non-current liabilities					
Borrowings	24	**4,600**	7,000	**-**	-
Provisions for other liabilities and charges	25	**2,494**	2,411	**-**	-
Deferred income tax liabilities	22	**7,248**	6,227	**88**	3,283
Other non-current liabilities		**34**	33	**-**	-
		14,376	15,671	**88**	3,283
Total liabilities		**92,231**	123,520	**191,700**	163,859
NET ASSETS		**627,160**	736,464	**489,970**	518,749
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	26	**219,593**	219,188	**219,593**	219,188
Capital reserve	27	**6,066**	6,066	**-**	-
Other reserves	28	**63,791**	162,258	**708**	594
Retained profits		**337,710**	348,952	**269,669**	298,967
Total equity		**627,160**	736,464	**489,970**	518,749

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2014

	Note	Share capital $'000	Capital reserve $'000	Property revaluation reserve $'000	Fair value reserve $'000	Foreign currency translation reserve $'000	General reserve $'000	Share-based payment reserve $'000	Retained profits $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
		← Attributable to equity holders of the Company								→		
2014												
Beginning of financial year		**219,188**	**6,066**	**18,919**	**218,374**	**(38,239)**	**(37,250)**	**454**	**348,952**	**736,464**	**-**	**736,464**
Employee share-based compensation scheme												
- Value of employee services		-	-	-	-	-	-	379	-	379	-	379
- Issue of new shares	26	405	-	-	-	-	-	(405)	-	-		-
Dividends paid	29	-	-	-	-	-	-	-	(40,217)	(40,217)	-	(40,217)
Transfer to retained profits on realisation		-	-	(14)	-	-	(10)	-	24	-	-	-
Total comprehensive losses for the year		-	-	-	(100,578)	2,651	(490)	-	28,951	(69,466)	-	(69,466)
End of financial year		**219,593**	**6,066**	**18,905**	**117,796**	**(35,588)**	**(37,750)**	**428**	**337,710**	**627,160**	**-**	**627,160**

An analysis of the movements in property revaluation reserve, fair value reserve, foreign currency translation reserve, general reserve and share-based payment reserve is presented in Note 28.

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2014

	Note	Share capital $'000	Capital reserve $'000	Property revaluation reserve $'000	Fair value reserve $'000	Foreign currency translation reserve $'000	General reserve $'000	Share-based payment reserve $'000	Retained profits $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
		← Attributable to equity holders of the Company →										
2013												
Beginning of financial year		218,865	6,066	17,597	189,806	(40,183)	1,088	453	267,058	660,750	49,441	710,191
Acquisition of non-controlling interests in a subsidiary		-	-	-	-	-	(35,680)	-	-	(35,680)	(49,441)	(85,121)
Employee share-based compensation scheme												
- Value of employee services		-	-	-	-	-	-	324	-	324	-	324
- Issue of new shares	26	323	-	-	-	-	-	(323)	-	-	-	-
Dividends paid	29	-	-	-	-	-	-	-	(5,744)	(5,744)	-	(5,744)
Total comprehensive income for the year		-	-	1,322	28,568	1,944	(2,658)	-	87,638	116,814	-	116,814
End of financial year		219,188	6,066	18,919	218,374	(38,239)	(37,250)	454	348,952	736,464	-	736,464

An analysis of the movements in property revaluation reserve, fair value reserve, foreign currency translation reserve, general reserve and share-based payment reserve is presented in Note 28.

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2014

	The Group	
	2014	2013
	$'000	$'000
Cash flows from operating activities		
Net profit	**28,951**	87,638
Adjustments for:		
- Income tax expense	**4,892**	6,232
- Depreciation of property, plant and equipment	**11,181**	9,465
- Dividend income from available-for-sale financial assets	**(5,867)**	(4,666)
- Share-based payment expense	**379**	324
- Unrealised currency translation differences	**982**	1,276
- Property, plant and equipment written-off	**672**	339
- Fair value gains on investment properties - net	**(5,346)**	(9,035)
- Gain on disposal of property, plant and equipment	**(259)**	(2,432)
- Investment property written-off	**174**	-
- Gain on disposal of available-for-sale financial assets	**-**	(622)
- (Write-back of impairment)/Impairment loss on available-for-sale financial assets	**(30)**	5
- Fair value gains on available-for-sale financial assets reclassified from other comprehensive income on disposal	**(1,978)**	(21,286)
- Fair value gains on financial assets, at fair value through profit or loss	**(45)**	(230)
- Interest expense	**30**	122
- Interest income	**(911)**	(646)
- Provision for retirement benefits	**265**	319
- Impairment loss on property, plant and equipment	**541**	1,100
- Share of profit of associated companies	**(542)**	(500)
	33,089	67,403
Change in working capital:		
- Trade and other receivables	**18,995**	41,143
- Inventories	**6,111**	(9,324)
- Development properties	**-**	35,986
- Trade and other payables	**(21,467)**	7,475
Cash generated from operations	**36,728**	142,683
Income tax paid	**(7,418)**	(24,584)
Retirement benefits paid	**(144)**	(137)
Net cash provided by operating activities	**29,166**	117,962

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2014

	Note	The Group	
		2014	2013
		$'000	$'000
Cash flows from investing activities			
Dividends received from available-for-sale financial assets		**5,867**	4,666
Dividends received from an associated company		**751**	757
Proceeds from disposal of property, plant and equipment		**321**	3,701
Proceeds from disposal of available-for-sale financial assets		**2,340**	29,122
Proceeds from disposal of financial assets, at fair value through profit or loss		**3,900**	15,703
Purchases of property, plant and equipment		**(48,701)**	(53,896)
Deposits paid for property, plant and equipment		**-**	(7,211)
Construction of investment properties		**(2,242)**	-
Purchases of financial assets, at fair value through profit or loss		**(3,841)**	(7,943)
Interest received		**911**	646
Net cash used in investing activities		**(40,694)**	(14,455)
Cash flows from financing activities			
Dividends paid		**(40,217)**	(5,744)
Interest paid		**(30)**	(122)
Repayments of borrowings		**(7,036)**	(7,384)
Proceeds from borrowings		**-**	3,000
Acquisition of non-controlling interests in a subsidiary		**-**	(85,121)
Net cash used in financing activities		**(47,283)**	(95,371)
Net (decrease)/increase in cash and cash equivalents		**(58,811)**	8,136
Cash and cash equivalents at beginning of financial year		**189,632**	181,496
Cash and cash equivalents at end of financial year	12	**130,821**	189,632

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

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL INFORMATION

Yeo Hiap Seng Limited (the "Company") is listed on the Singapore Exchange and incorporated and domiciled in Singapore. The address of its registered office is 3 Senoko Way, Singapore 758057.

The principal activities of the Company are those of a management and investment holding company. The principal activities of the subsidiaries are shown in Note 37.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS 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. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

Interpretations and amendments to published standards effective in 2014

On 1 January 2014, the Group adopted the new or amended FRS and Interpretations of FRS ("INT FRS") 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 FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the accounting policies of the Group and the Company and had no material effect on the amounts reported for the current or prior financial years.

2.2 Revenue recognition

Revenue for the Group 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. Revenue is presented, net of value-added tax, volume rebates and trade discounts, and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that collectability of the related receivables is reasonably assured and when the specific criteria for each of the Group's activities are met as follows:

(a) Sale of goods - consumer food and beverage products

Revenue from sale of goods is recognised when the Group has delivered the products to the customers and the customers have accepted the products.

(b) Revenue from sale of development properties

Revenue from the sale of development properties is recognised using percentage of completion method based on the stage of completion as certified by the architects or quantity surveyors. In the case where the certificates are not available, the stage of completion is measured by reference to the development costs incurred to date to the estimated total costs for the project. No revenue is recognised on unsold units.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Revenue recognition (continued)

The Group recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that collectability of the related receivables is reasonably assured and when the specific criteria for each of the Group's activities are met as follows: (continued)

(c) Dividend income

Dividend income is recognised when the right to receive payment is established.

(d) Interest income

Interest income is recognised using the effective interest method.

(e) Rental income

Rental income from operating leases is recognised on a straight-line basis over the lease term.

2.3 Group accounting

(a) Subsidiaries

(i) Consolidation

Subsidiaries are all entities (including structured 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. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on that 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.

Non-controlling interests are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and balance sheet. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

(ii) Acquisitions

The acquisition method of accounting is used to account for business combinations entered into 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 and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement.

Acquisition-related costs are expensed as incurred.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Group accounting (continued)

(a) Subsidiaries (continued)

(ii) Acquisitions (continued)

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 identifiable net assets.

The excess of (a) the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previously-held equity interest in the acquiree over (b) the fair value of the identifiable net assets acquired is recorded as goodwill. Please refer to Note 2.7 for the accounting policy on goodwill.

(iii) 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 profits 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.

Please refer to Note 2.8 for the accounting policy on investments in subsidiaries in the separate financial statements of the Company.

(b) Transactions with non-controlling interests

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised in "general reserve" within equity attributable to the equity holders of the Company.

(c) Associated companies

Associated companies are entities over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above but not exceeding 50%. Investments in associated companies are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses.

(i) Acquisitions

Investments in associated companies are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on associated companies represents the excess of the cost of acquisition of the associated company over the Group's share of fair value of the identifiable net assets of the associated company and is included in the carrying amount of the investments.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Group accounting (continued)

(c) Associated companies (continued)

(ii) Equity method of accounting

In applying the equity method of accounting, 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. When the Group's share of losses in an associated company equals to or exceeds its interests in the associated company, including any other unsecured non-current receivables, the Group does not recognise further losses, unless it has obligations to make or has made payments on behalf of the associated company.

Unrealised gains on transactions between the Group and its associated companies are eliminated to the extent of the Group's interest in the associated companies. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. The accounting policies of associated companies have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

(iii) Disposals

Investments in associated companies are derecognised when the Group loses significant influence. Any retained equity interest in the entity is remeasured at its fair value. The difference between the carrying amount of the retained interest at the date when significant influence is lost, and its fair value and any proceeds on partial disposal is recognised in profit or loss.

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.

Please refer to Note 2.8 for the accounting policy on investments in associated companies in the separate financial statements of the Company.

2.4 Property, plant and equipment

(a) Measurement

(i) Land and buildings

Land and buildings are initially recognised at cost. Freehold land is subsequently carried at cost less accumulated impairment losses and includes plots of land with Land Usage Titles in Indonesia ("Land Usage Titles"). These Land Usage Titles entitle the Group to use the land for the purpose of the operation of food and beverages manufacturing and other facilities for a period of 30 years. Management anticipates that the Land Usage Titles will be perpetually renewable at a nominal cost and therefore the land is not depreciated. Buildings and leasehold land are subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

(ii) Other property, plant and equipment

All other items of property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Property, plant and equipment (continued)

(a) Measurement (continued)

(iii) Components of costs

The cost of an item of property, plant and equipment initially recognised 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. Cost also includes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Please refer to Note 2.9 for the accounting policy on borrowing costs.

(b) Depreciation

No depreciation is provided on construction-in-progress and freehold land.

Depreciation on other items of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	Useful lives
Leasehold land (over term of lease)	50 - 99 years
Buildings on freehold and leasehold land	20 - 50 years
Plant and machinery, furniture and fittings	5 - 20 years
Computer equipment and software costs	3 - 7 years
Motor vehicles and trucks	5 - 10 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

(c) Subsequent expenditure

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. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(d) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within “other gains - net”.

(e) Transfer of property, plant and equipment to investment properties

When the use of a property changes from owner-occupation to investment property holding, the property is remeasured to fair value before transfer. Any gain arising on remeasurement is recognised in profit or loss to the extent that it reverses a previous impairment loss on the specific property, with any remaining gain recognised in the property revaluation reserve in equity. Any loss is recognised immediately in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 Development properties

Development properties refer to properties under development and completed properties held for sale.

Development properties are carried at cost less allowance for foreseeable losses. Cost capitalised includes cost of land and other directly related development expenditure, including borrowings costs, incurred in developing the properties.

Revenue and cost on development properties that have been sold are recognised using the percentage of completion method. The stage of completion is measured by reference to the physical surveys of construction work completed as certified by the architects or quantity surveyors. In the case where the certificates are not available, the stage of completion is measured by reference to the development costs incurred to date to the estimated total costs for the project. No revenue is recognised on unsold units. When it is probable that the total development costs will exceed the total revenue, the expected loss is recognised as an expense immediately.

The aggregated costs incurred and the profit or loss recognised in each development property that has been sold are compared against progress billings up to the financial year-end. Where costs incurred and recognised profits (less recognised losses) exceed progress billings, the balance is included in “trade and other receivables”. Where progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is included in “trade and other payables”.

2.6 Investment properties

Investment properties are land and buildings held for long-term rental yields and/or for capital appreciation. Investment properties include properties that are being constructed or developed for future use as investment properties.

Investment properties are initially recognised at cost and subsequently carried at fair value, determined annually by independent professional valuers on the highest-and-best-use basis. Changes in fair values are recognised in profit or loss.

The cost of major renovations and improvements is capitalised and the carrying amounts of the replaced components are recognised in profit or loss. The cost of maintenance, repairs and minor improvements is recognised in profit or loss when incurred.

On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is recognised in profit or loss.

When the use of an investment property changes such that it becomes owner-occupied and is transferred to property, plant and equipment, its fair value at the date of change in use becomes its deemed cost for subsequent accounting.

2.7 Goodwill

Goodwill on acquisitions of subsidiaries and businesses on or after 1 January 2010 represents the excess of (a) the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previously-held equity interest in the acquiree over (b) the fair value of the identifiable assets acquired net of the fair values of the liabilities and any contingent liabilities assumed.

Goodwill on acquisition of subsidiaries and businesses prior to 1 January 2010 and on acquisition of associated companies represents the excess of the cost of the acquisition over the fair value of the Group’s share of the identifiable net assets acquired.

Goodwill on subsidiaries is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Goodwill on associated companies is included in the carrying amount of the investments.

Gains and losses on the disposal of subsidiaries and associated companies include the carrying amount of goodwill relating to the entity sold.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 Investments in subsidiaries and associated companies

Investments in subsidiaries and associated companies are carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of investments in subsidiaries and associated companies, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2.9 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method except for those costs that are directly attributable to the construction or development of properties and assets under construction. This includes those costs on borrowings acquired specifically for the construction or development of properties and assets under construction, as well as those in relation to general borrowings used to finance the construction or development of properties and assets under construction.

The actual borrowing costs incurred during the period up to the issuance of the temporary occupation permit less any investment income on temporary investment of these borrowings, are capitalised in the cost of the properties under development and assets under construction. Borrowings costs on general borrowings are capitalised by applying a capitalisation rate to construction or development expenditures that are financed by general borrowings.

2.10 Impairment of non-financial assets

(a) Goodwill

Goodwill recognised separately as an intangible asset is tested for impairment annually and whenever there is indication that the goodwill 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 arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised in profit or loss and is not reversed in a subsequent period.

(b) Property, plant and equipment
Investments in subsidiaries and associated companies

Property, plant and equipment and investments in subsidiaries and associated companies are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the 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, the recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Impairment of non-financial assets (continued)

(b) *Property, plant and equipment*
Investments in subsidiaries and associated companies (continued)

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An impairment loss for an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of accumulated depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss.

2.11 Financial assets

(a) *Classification*

The Group classifies its financial assets in the following categories: loans and receivables, and available-for-sale. The classification depends on the nature of the asset and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition.

(i) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realised later than 12 months after the balance sheet date which are presented as non-current assets. Loans and receivables are presented as "cash and cash equivalents", "trade and other receivables" excluding prepayments and "loans to subsidiaries" on the balance sheet.

(ii) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are presented as non-current assets unless management intends to dispose of the assets within 12 months after the balance sheet date.

(b) *Recognition and derecognition*

Regular way purchases and sales of financial assets are recognised on trade date - the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the sale proceeds and the carrying amount is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is also reclassified to profit or loss.

(c) *Initial measurement*

Financial assets are initially recognised at fair value plus transaction costs.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Financial assets (continued)

(d) Subsequent measurement

Available-for-sale financial assets are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Interest and dividend income on available-for-sale financial assets are recognised separately in profit or loss. Changes in the fair values of available-for-sale equity securities (i.e. non-monetary items) are recognised in other comprehensive income and accumulated in the fair value reserve, together with the related currency translation differences.

(e) Impairment

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

(i) Loans and receivables

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

The impairment allowance account is reduced through profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

(ii) Available-for-sale financial assets

In addition to the objective evidence of impairment described in Note 2.11(e)(i), a significant or prolonged decline in the fair value of an equity security below its cost is objective evidence that the available-for-sale financial asset is impaired.

If any evidence of impairment exists, the cumulative loss that was recognised in other comprehensive income is reclassified to profit or loss. The cumulative loss is measured as the difference between the acquisition cost and the current fair value, less any impairment loss previously recognised as an expense. The impairment losses recognised as an expense on equity securities are not reversed through profit or loss.

2.12 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.13 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

2.14 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the balance sheet date, in which case they are presented as non-current liabilities.

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.

2.15 Fair value estimation of financial assets and liabilities

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 at the balance sheet date. The quoted market prices used for financial assets are the current bid prices and the appropriate quoted market prices used for financial liabilities are the current asking prices.

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Group uses a variety of methods and makes assumptions based on market conditions that are existing at each balance sheet date. Where appropriate, quoted market prices or dealer quotes for similar instruments are used. Valuation techniques, such as discounted cash flow analysis, are also used to determine the fair values of the financial instruments.

The fair values of financial liabilities carried at amortised cost are estimated by discounting the future contractual cash flows at the current market interest rates that are available to the Group for similar financial instruments.

The carrying amounts of current financial assets and liabilities carried at amortised cost approximate their fair values.

2.16 Leases

(a) *Finance leases when the Group is the lessee*

The Group leases certain property, plant and equipment from non-related parties.

Leases of property, plant and equipment where the Group assumes substantially all risks and rewards incidental to ownership of the leased assets are classified as finance leases.

The leased assets and the corresponding lease liabilities (net of finance charges) under finance leases are recognised on the balance sheet as property, plant and equipment and borrowings respectively, at the inception of the leases based on the lower of the fair value of the leased assets and the present value of the minimum lease payments.

Each lease payment is apportioned between the finance expense and the reduction of the outstanding lease liability. The finance expense is recognised in profit or loss on a basis that reflects a constant periodic rate of interest on the finance lease liability.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.16 Leases (continued)

(b) *Operating leases*

(i) *When the Group is the lessee*

Leases of property, plant and equipment where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in profit or loss on a straight-line basis over the period of the lease.

(ii) *When the Group is the lessor*

Leases of investment properties where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight-line basis over the lease term.

2.17 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) but excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses.

2.18 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries and associated companies, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A 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.

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities except for investment properties. Investment property measured at fair value is presumed to be recovered entirely through sale.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred income tax arising from a business combination is adjusted against goodwill on acquisition.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.19 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

2.20 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(a) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

(b) Defined benefit plan

Post-employment benefits relate to retirement benefits given to employees and are a non-contributory unfunded retirement benefits scheme for employees who are eligible under a collective bargaining agreement.

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets, together with adjustments for unrecognised past-service costs. The defined benefit obligation is calculated by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yields at the end of the reporting period on the Malaysian Government securities which have currency and terms to maturity approximating the terms of the related post-employment benefit obligations.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in profit or loss.

(c) Share-based compensation

The Company operates an equity-settled, share-based compensation plan for the Group's employees with a share option plan component and a performance share plan component. The value of the employee services received in exchange for the grant of options on shares or shares is recognised as an expense with a corresponding increase in the share-based payment reserve 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 on shares or share awards on the date of the grant. Non-market vesting conditions are included in the estimation of the number of shares under the plan which are expected to become exercisable on the vesting date. At each balance sheet date, the Group revises its estimates of the number of shares under the plan which are expected to become exercisable on the vesting date and recognises the impact of the revision of the estimates in profit or loss, with a corresponding adjustment to the share-based payment reserve over the remaining vesting period.

When the shares are issued, the proceeds received (net of transaction costs) and the related balance previously recognised in the share-based payment reserve are credited to share capital account when new ordinary shares are issued to the employees.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.20 Employee compensation (continued)

(d) *Termination benefits*

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

(e) *Bonus plans*

The Group recognises a liability and an expense for bonuses, based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group recognises a provision when there is a contractual obligation to pay or when there is a past practice that has created a constructive obligation to pay.

(f) *Annual leave entitlement*

Employee entitlements to annual leave are recognised when they are accrued to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

2.21 Currency translation

(a) *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 ("functional currency"). The financial statements are presented in Singapore Dollar, which is the Company's functional currency.

(b) *Transactions and balances*

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss. However, in the consolidated financial statements, currency translation differences arising from net investment in foreign operations are recognised in other comprehensive income and accumulated in the foreign currency translation reserve.

When a foreign operation is disposed of or any borrowings forming part of the net investment of the foreign operation is repaid, a proportionate share of the accumulated currency translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

Foreign exchange gains and losses that relate to borrowings are presented in profit or loss within "finance expenses". All other foreign exchange gains and losses impacting profit or loss are presented in profit or loss within "other gains - net".

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.21 Currency translation (continued)

(c) *Translation of Group entities' financial statements*

The results and balance sheet of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities are translated at the closing exchange rates at the reporting date;

(ii) Income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) All resulting currency translation differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal of the entity giving rise to such reserve.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date.

2.22 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Executive Officer who is responsible for allocating resources and assessing performance of the operating segments.

2.23 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value.

2.24 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

2.25 Dividends to Company's shareholders

Dividends to the Company's shareholders are recognised when the dividends are approved for payment.

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Fair value of investment properties

Investment properties are stated at fair value based on valuations performed by independent professional valuers. The fair values are based on highest-and-best-use basis and certain judgements are required over the valuation techniques and inputs used. The valuation techniques, key inputs and other assumptions are disclosed in Note 19.

At 31 December 2014, the fair value of investment properties amounts to $105,205,000 (2013: $99,727,000).

4. REVENUE

	The Group	
	2014	2013
	$'000	$'000
Sale of consumer food and beverage products	**431,737**	430,579
Sale of development properties	**-**	80,085
Dividend income from available-for-sale financial assets	**5,867**	4,666
	437,604	515,330

5. OTHER INCOME

	The Group	
	2014	2013
	$'000	$'000
Interest income	**911**	646
Rental income	**5,139**	4,146
	6,050	4,792

6. OTHER GAINS - NET

	The Group	
	2014	2013
	$'000	$'000
Other gains		
Fair value gains on available-for-sale financial assets reclassified from other comprehensive income on disposal	**1,978**	21,286
Fair value gains on investment properties - net (Note 19)	**5,346**	9,035
Gain on disposal of property, plant and equipment	**259**	2,432
Write-back of impairment on available-for-sale financial assets (Note 15)	**30**	-
Gain on disposal of available-for-sale financial assets	**-**	622
Fair value gains on financial assets, at fair value through profit or loss	**45**	230
Other miscellaneous income	**836**	844
	8,494	34,449
Other losses		
Currency translation loss - net	**(361)**	(7,696)
Impairment loss on property, plant and equipment (Note 20)	**(541)**	(1,100)
Property, plant and equipment written-off	**(672)**	(339)
Impairment loss on available-for-sale financial assets (Note 15)	**-**	(5)
Investment property written-off (Note 19)	**(174)**	-
	(1,748)	(9,140)
Other gains - net	**6,746**	25,309

7. EXPENSES BY NATURE

	The Group	
	2014	2013
	$'000	$'000
Fees on audit services paid/payable to		
- Auditor of the Company	**269**	382
- Other auditors*	**357**	381
Fees on non-audit services paid/payable to		
- Auditor of the Company	**2**	173
- Other auditors*	**12**	166
Depreciation of property, plant and equipment (Note 20)	**11,181**	9,465
Write-down of inventories - net (Note 14)	**5,806**	2,516
Impairment of/(Write-back of impairment on) trade receivables (Note 31(b)(ii))	**50**	(89)
Employee compensation (Note 8)	**52,193**	55,769
Cost of raw materials and trading goods recognised as expenses (included in cost of sales)	**219,124**	210,826
Cost of development properties recognised as expenses (included in cost of sales)	**-**	35,668
Advertising and promotion expenses	**42,317**	42,012
Transportation expense	**25,319**	23,597
Rental expense on operating leases	**9,826**	8,758
Utilities expense	**13,858**	12,459
Repairs and maintenance expenses	**10,530**	7,094

** Includes the network of member firms of KPMG LLP (2013: PricewaterhouseCoopers International Limited).*

8. EMPLOYEE COMPENSATION

	The Group	
	2014	2013
	$'000	$'000
Wages and salaries	**43,219**	45,499
Employer's contribution to defined contribution plans including Central Provident Fund	**4,111**	4,665
Share-based payment expense (Note 28(b)(v))	**379**	324
Retirement benefits costs (Note 25)	**265**	319
Other benefits	**4,219**	4,962
	52,193	55,769

9. FINANCE EXPENSES

	The Group	
	2014	2013
	$'000	$'000
Interest expense on bank borrowings	**30**	122

10. INCOME TAXES

(a) Income tax expense

	The Group	
	2014	2013
	$'000	$'000
Tax expense attributable to profit is made up of:		
Current income tax		
- Singapore	**924**	4,527
- Foreign	**2,232**	2,486
	3,156	7,013
Deferred income tax	**1,736**	(498)
	4,892	6,515
(Over)/Under provision in prior financial years		
- Current income tax	**-**	(285)
- Deferred income tax	**-**	2
	4,892	6,232

The tax expense on the Group's profit before tax differs from the theoretical amount derived from using the Singapore standard rate of income tax as follows:

	The Group	
	2014	2013
	$'000	$'000
Profit before income tax	**33,843**	93,870
Share of profit of associated companies, net of tax	**(542)**	(500)
Profit before tax and share of profit of associated companies	**33,301**	93,370
Tax calculated at tax rate of 17% (2013: 17%)	**5,661**	15,873
Effects of:		
- Different tax rates in other countries	**1,646**	2,053
- Income not subject to tax	**(2,712)**	(7,850)
- Expenses not deductible for tax purposes	**1,536**	637
- Tax incentives	**(101)**	(445)
- Utilisation of previously unrecognised tax benefits	**(1,510)**	(1,752)
- Deferred income tax assets not recognised	**372**	869
- Revaluation surplus on land taxed in the prior years	**-**	(1,463)
- Recognition of previously unrecognised tax losses	**-**	(1,407)
- Over provision in prior financial years - net	**-**	(283)
Tax charge	**4,892**	6,232

10. INCOME TAXES (continued)

(b) Movements in current income tax liabilities net of current income tax recoverable

	The Group		The Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Beginning of financial year	**3,779**	21,622	**238**	365
Currency translation differences	**(8)**	13	**-**	-
Income tax paid	**(7,418)**	(24,584)	**(500)**	(865)
Tax expense	**3,156**	7,013	**455**	846
(Over)/Under provision in prior financial years	**-**	(285)	**16**	(108)
End of financial year	**(491)**	3,779	**209**	238
Representing:				
Current income tax recoverable	**(1,534)**	(1,155)	**-**	-
Current income tax liabilities	**1,043**	4,934	**209**	238
	(491)	3,779	**209**	238

(c) Income tax expense on other comprehensive (losses)/income

The tax charge relating to each component of other comprehensive (losses)/income is as follows:

	2014			2013		
	Before tax	**Tax charge**	**After tax**	Before tax	Tax charge	After tax
The Group	**$'000**	**$'000**	**$'000**	$'000	$'000	$'000
Available-for-sale financial assets						
- Fair value (losses)/gains	**(99,090)**	**-**	**(99,090)**	47,196	-	47,196
- Reclassification	**(1,978)**	**-**	**(1,978)**	(21,286)	-	(21,286)
Revaluation gain on property, plant and equipment	**-**	**-**	**-**	1,762	(440)	1,322
Currency translation gains arising from consolidation	**2,651**	**-**	**2,651**	1,944	-	1,944
Other comprehensive (losses)/income	**(98,417)**	**-**	**(98,417)**	29,616	(440)	29,176

11. EARNINGS PER SHARE

(a) Basic earnings per share

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 Group	
	2014	2013
Net profit attributable to equity holders of the Company ($'000)	**28,951**	87,638
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	**574,534**	574,313
Basic earnings per share (cents per share)	**5.04**	15.26

(b) Diluted earnings per share

For the purpose of calculating diluted earnings per share, profit attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding are adjusted for the effects of all dilutive potential ordinary shares. The Company has one category of dilutive potential ordinary shares under a share award plan described in Note 26.

The assumed issue price of the shares under the share grant is the fair value of the shares at grant date for non-cash consideration in the form of services rendered by the grantees (mainly employees) to the Group over the vesting periods of one, two and three years in three equal tranches. It is assumed that the Group receives this consideration progressively from the grant date to the vesting date, over which it builds up a share-based payment reserve while recognising the additional employee compensation expense through an amortisation process. At 31 December 2014, the unamortised amount which represents the services yet to be received is assumed to be the remaining proceeds to be received for the number of shares granted. As the number of shares to be issued under the share grant is greater than the number of shares which would have been issued at fair value (the average market price for the financial year) for the remaining proceeds, the difference is the number of shares issued for no consideration which dilutes the earnings per share. The number of shares issued for no consideration is added to the weighted average number of shares outstanding during the financial year to arrive at a larger number of shares to calculate the diluted earnings per share, with the same net profit.

	The Group	
	2014	2013
Net profit attributable to equity holders of the Company ($'000)	**28,951**	87,638
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	**574,534**	574,313
Adjustment for share awards ('000)	**206**	211
	574,740	574,524
Diluted earnings per share (cents per share)	**5.04**	15.25

12. CASH AND CASH EQUIVALENTS

	The Group		The Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Cash at bank and on hand	**51,495**	101,422	**6,652**	16,027
Fixed deposits with financial institutions	**79,326**	88,210	**79,326**	88,210
	130,821	189,632	**85,978**	104,237

13. TRADE AND OTHER RECEIVABLES - CURRENT

	The Group		The Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Trade receivables				
- Non-related parties	**58,969**	66,109	**-**	-
- Related parties	**32**	140	**-**	-
	59,001	66,249	**-**	-
Less: Allowance for impairment of receivables - non-related parties	**(701)**	(793)	**-**	-
Trade receivables - net	**58,300**	65,456	**-**	-
Other receivables				
- Non-related parties	**6,347**	7,607	**260**	746
- Subsidiaries	**-**	-	**61,829**	56,150
- Associated companies	**6,457**	6,457	**6,457**	6,457
- A related party	**38**	38	**38**	38
	12,842	14,102	**68,584**	63,391
Less: Allowance for impairment of receivables				
- Subsidiaries	**-**	-	**(1,287)**	(1,268)
- Associated companies	**(6,457)**	(6,457)	**(6,457)**	(6,457)
Other receivables - net	**6,385**	7,645	**60,840**	55,666
Staff loans	**599**	456	**-**	-
Deposits	**1,528**	11,729	**50**	46
Prepayments	**1,179**	1,700	**43**	22
	67,991	86,986	**60,933**	55,734

Other receivables from non-related parties, subsidiaries, associated companies and a related party are unsecured, interest-free and repayable on demand.

Related parties refer to the related companies of the ultimate holding company and companies controlled by the shareholders of the Company's ultimate holding company (Note 32).

14. INVENTORIES

	The Group	
	2014	2013
	$'000	$'000
Raw materials	**17,419**	16,808
Work-in-progress	**899**	829
Finished/Trading goods	**44,238**	51,030
	62,556	68,667

The cost of inventories recognised as an expense and included in "cost of sales" amounts to $273,905,000 (2013: $265,544,000).

During the financial year, the Group wrote down inventories of $5,806,000 (2013: $2,525,000 and reversed $9,000 being part of inventory write-down made in prior years, as the inventories were sold above the carrying amounts in 2013).

15. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	The Group		The Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Beginning of financial year	**250,371**	231,976	**360**	12,116
Currency translation differences	**-**	(296)	**-**	-
Fair value (losses)/gains recognised in other comprehensive (losses)/income (Note 28(b)(ii))	**(99,090)**	47,196	**140**	2,952
Disposals	**(2,340)**	(28,500)	**-**	(14,703)
Write-back of impairment/ (Impairment loss) (Note 6)	**30**	(5)	**30**	(5)
End of financial year	**148,971**	250,371	**530**	360

Available-for-sale financial assets are analysed as follows:

	The Group		The Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Listed securities				
- Equity securities – Singapore	**148,441**	247,401	**-**	-
- Equity securities – Hong Kong	**-**	2,610	**-**	-
	148,441	250,011	**-**	-
Unlisted investments	**530**	360	**530**	360
	148,971	250,371	**530**	360

16. LOANS TO SUBSIDIARIES

Loans to subsidiaries are treated as a long-term source of additional capital and financing within the Group. Accordingly, they are managed centrally and represent additions to the Company's net investments in the subsidiaries, except for those that are interest-bearing.

	The Company	
	2014	2013
	$'000	$'000
Loans to subsidiaries	**155,502**	159,205
Less: Allowance for impairment	**(2,879)**	(7,197)
	152,623	152,008

Movements in allowance for impairment are as follows:

	The Company	
	2014	2013
	$'000	$'000
Beginning of financial year	**7,197**	7,921
Impairment charge during the financial year	**-**	872
Loans written-off	**(4,318)**	(1,596)
End of financial year	**2,879**	7,197

Loans to subsidiaries are unsecured, repayable on demand but are not expected to be repaid within the next twelve months. Except for loans to subsidiaries amounting to $138,572,000 (2013: $136,931,000) which bear effective interest rate at 2.16% (2013: 2.09%) per annum, loans to subsidiaries are interest-free.

17. INVESTMENTS IN ASSOCIATED COMPANIES

	The Group		The Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Equity investments at cost			**199**	3,689
Less: Allowance for impairment			**(199)**	(3,689)
			-	-
Beginning of financial year	**5,326**	5,375		
Currency translation differences	**40**	208		
Share of profit, net of tax	**542**	500		
Less: Dividend received	**(751)**	(757)		
End of financial year	**5,157**	5,326		

17. INVESTMENTS IN ASSOCIATED COMPANIES (continued)

The summarised financial information of associated companies, not adjusted for the proportion of ownership interest held by the Group, is as follows:

	The Group	
	2014	2013
	$'000	$'000
- Assets	**48,326**	48,242
- Liabilities	**64,361**	63,446
- Revenue	**194,336**	223,587
- Net profit	**2,124**	1,896

The Group has not recognised its share of losses of associated companies amounting to $2,000 (2013: $2,000) because the Group's cumulative share of unrecognised losses exceeds its interest in the entities and the Group has no obligation in respect of those losses. The cumulative unrecognised losses with respect to the entities amount to $2,027,000 (2013: $2,049,000) at the balance sheet date.

Details of significant associated companies are included in Note 37.

18. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2014	2013
	$'000	$'000
Unquoted equity investments at cost less impairment		
- Subsidiaries engaged in property development (Note 18(a))	**126,117**	126,117
- Other subsidiaries (Note 18(b))	**179,758**	179,758
	305,875	305,875

In 2013, one subsidiary was reclassified from property development to others in view of the change in activities of the subsidiary.

Details of significant subsidiaries are included in Note 37.

(a) Subsidiaries engaged in property development

	The Company	
	2014	2013
	$'000	$'000
Equity investments at cost	**127,117**	127,117
Less: Allowance for impairment	**(1,000)**	(1,000)
	126,117	126,117

18. INVESTMENTS IN SUBSIDIARIES (continued)

(a) Subsidiaries engaged in property development (continued)

Movements in equity investments at cost are as follows:

	The Company	
	2014	2013
	$'000	$'000
Beginning of financial year	**127,117**	148,117
Reclassification to others	**-**	(21,000)
End of financial year	**127,117**	127,117

Movements in allowance for impairment are as follows:

	The Company	
	2014	2013
	$'000	$'000
Beginning of financial year	**1,000**	14,535
Reclassification to others	**-**	(13,373)
Write-back of allowance during the financial year	**-**	(162)
End of financial year	**1,000**	1,000

(b) Other subsidiaries

	The Company	
	2014	2013
	$'000	$'000
Equity investments at cost	**199,214**	199,214
Less: Allowance for impairment	**(19,456)**	(19,456)
	179,758	179,758

Movements in equity investments at cost are as follows:

	The Company	
	2014	2013
	$'000	$'000
Beginning of financial year	**199,214**	178,214
Reclassification from property development	**-**	21,000
End of financial year	**199,214**	199,214

Movements in allowance for impairment are as follows:

	The Company	
	2014	2013
	$'000	$'000
Beginning of financial year	**19,456**	19,456
Reclassification from property development	**-**	13,373
Write-back of allowance during the financial year	**-**	(13,373)
End of financial year	**19,456**	19,456

19. INVESTMENT PROPERTIES

	The Group		The Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Beginning of financial year	**99,727**	78,728	**63,631**	55,271
Currency translation differences	**2,494**	1,273	**-**	-
Additions	**2,242**	-	**10,140**	5,360
Written-off (Note 6)	**(174)**	-	**-**	-
Transfer (to)/from property, plant and equipment (Note 20)	**(4,430)**	10,691	**-**	-
Net fair value gains recognised in profit or loss, under "other gains-net" (Note 6)	**5,346**	9,035	**1,229**	3,000
End of financial year	**105,205**	99,727	**75,000**	63,631

Certain investment properties are leased to non-related parties under operating leases (Note 30(b)).

In 2013, an investment property of a subsidiary was mortgaged to a bank as security for certain borrowings (Note 24(a)).

During the current financial year, leasehold land and building of a subsidiary with a total carrying amount of $4,430,000 was transferred to (2013: $10,691,000 was transferred from) property, plant and equipment due to change in use of the property (Note 20).

The following amounts are recognised in profit or loss:

	The Group		The Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Rental income	**4,960**	4,091	**2,324**	1,947
Direct operating expenses arising from:				
- investment properties that generate rental income	**(1,319)**	(956)	**(2,161)**	(1,947)
- investment properties that do not generate rental income	**(300)**	(557)	**(472)**	(518)

Rental income of the Company is primarily derived from its subsidiaries. At the Group level, the investment properties of the Company are owner occupied and are classified as property, plant and equipment.

19. INVESTMENT PROPERTIES (continued)

Details of investment properties of the Group are follows:

Location	Description and existing use	Approximate land area (in sq. metres)	Tenure	Carrying amount 2014 $'000	Carrying amount 2013 $'000
United States of America					
745 Epperson Drive City of Industry, California 91748	Office and warehouse	3,408	Freehold	**5,341**	4,673
Hong Kong					
7/F & 8/F Ever Gain Centre No. 28 On Muk Street Shatin New Territories Hong Kong	Office and warehouse	8,798	Leasehold expiring in year 2047	**47,688**	41,960
The People's Republic of China					
300 Kai Ming Road Shanghai Songjiang Industrial Zone, Songjiang, Shanghai	Office and warehouse	35,199	Leasehold expiring in year 2046	**13,370**	13,373
286, 288 Chigangxi Road, Haizhu District, Guangzhou Guangdong Province	Office and warehouse	30,872	Leasehold expiring in year 2040	**11,361**	10,691[2]
Malaysia					
No.986 Jalan Perusahaan and No.988-990, Solok Perusahaan Tiga, Kawasan MIEL Prai Industrial Estate Prai, Pulau Pinang, Malaysia	Office and warehouse	7,980	Leasehold expiring in year 2071	**-** [1]	2,655
Leong Sin Nam Farm, Jalan Ampang Tambun, Ampang Ipoh, Perak, Malaysia	Farming lands	1,048,718	17 lots freehold, 3 lots leasehold expiring in year 2045	**7,973**	7,464
Lot No.2987 & 2988, Jalan Bidor, Teluk Intan, Bidor, Perak, Malaysia	Industrial land	396,875	Leasehold expiring in year 2094	**3,601**	3,656
Lot 645-650, Sek 44, Kawasan Perusahaan Pengkalan Chepa II, Jalan Padang Tembak Kota Bahru, Kelantan, Malaysia	Office and warehouse	4,908	Leasehold expiring in year 2048	**597**	587
40 1/4 Milepost, Jalan Air Itam – Johor Bahru, Simpang Renggam, Johor, Malaysia	Industrial land	420,209	Interest in perpetuity	**11,657**	11,159
Lot No.30, Jalan Upper Lanang, Sibu, Sarawak, Malaysia	Office and warehouse	6,107	Leasehold expiring in year 2029	**736**	719

19. INVESTMENT PROPERTIES (continued)

Details of investment properties of the Group are follows: (continued)

Location	Description and existing use	Approximate land area (in sq. metres)	Tenure	Carrying amount 2014 $'000	2013 $'000
Malaysia (continued)					
Lot 4183, Jalan Kuching, Taman Tunku Industrial Area, Miri, Sarawak, Malaysia	Office and warehouse	8,858	Leasehold expiring in year 2054	**1,327**	1,269
Lot 71, Sedeo Industrial Estate, Phase 2, Jalan Kolombong, Kota Kinabalu, Sabah, Malaysia	Office and warehouse	5,235	Leasehold expiring in year 2034	**1,137**	1,135
Lot 1632, Jalan Kidurong, Kidurong Light Industrial Estate, Bintulu, Sarawak, Malaysia	Industrial land	5,582	Leasehold expiring in year 2058	**417**	386
				105,205	99,727

Legend:
(1) Transferred to property, plant and equipment during 2014.
(2) Transferred from property, plant and equipment during 2013.

Valuation processes of the Group

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 properties' highest and best use.

Fair value hierarchy

Description	Fair value measurements using significant unobservable inputs (Level 3) 2014 $'000	2013 $'000
Recurring fair value measurements		
The Group		
Investment properties:		
- Office and warehouse - United States of America	**5,341**	4,673
- Office and warehouse - Hong Kong	**47,688**	41,960
- Offices and warehouses - The People's Republic of China	**24,731**	24,064
- Offices and warehouses - Malaysia	**3,797**	6,365
- Industrial and farming land - Malaysia	**23,648**	22,665
	105,205	99,727
The Company		
Investment properties:		
- Office, factory and warehouses - Singapore	**75,000**	63,631

19. INVESTMENT PROPERTIES (continued)

Reconciliation of movements in Level 3 fair value measurement

The investment properties of the Group and the Company are all measured within Level 3 of the fair value hierarchy and there are no transfers into or out of Level 3 during the years ended 31 December 2014 and 2013.

Valuation techniques and inputs used in Level 3 fair value measurement

The valuation techniques and key inputs that were used to determine fair value of investment properties are as follows:

	Fair Value		Valuation technique
	2014	2013	
Description	**$'000**	$'000	
The Group			
Office and warehouse - United States of America	**5,341**	4,673	Adjusted sales comparison approach
Office and warehouse - Hong Kong	**47,688**	41,960	Adjusted sales comparison approach
Offices and warehouses - The People's Republic of China	**24,731**	24,064	Income capitalisation approach
Offices and warehouses - Malaysia	**3,797**	6,365	Depreciated replacement cost method
Industrial and farming land - Malaysia	**23,648**	22,665	Sales comparison approach
The Company			
Office, factory and warehouses - Singapore	**75,000**	63,631	Adjusted sales comparison approach (2013: Adjusted sales comparison approach and depreciated replacement cost method)

The main Level 3 valuation techniques and inputs used are as follows:

Adjusted sales comparison approach or sales comparison approach

The key unobservable input used is the transacted prices per square metre of comparable properties in close proximity based on recent market transactions. These recent transacted prices are subsequently adjusted to consider the size of the Group's property, the age of the building, the remaining tenure of the property and/or the plot ratio of the land relative to those of the comparable properties sold to derive the fair value of the Group's property. The transacted prices per square metre would affect the outcome of the valuation directly.

19. INVESTMENT PROPERTIES (continued)

Valuation techniques and inputs used in Level 3 fair value measurement (continued)

The main Level 3 valuation techniques and inputs used are as follows: (continued)

Income capitalisation approach

Under this approach, the estimated net income on a fully leased property is capitalised over the remaining term of the lease from the valuation date at an appropriate investment yield. The key unobservable inputs are the estimated market rental rate per square metre and capitalisation rate. Market rental rate is estimated considering the estimated rental value of the property under existing market conditions and if any, existing lease agreements on the property. The market rental rate is adjusted to reflect anticipated operating costs to derive at the estimated net income. The Group's properties which have existing lease agreements and are valued under this approach have a weighted average rental per annum of $59 (2013: $61) per square metre. Capitalisation rate, estimated at 6.0% to 9.5% (2013: 6.0% to 9.5%), is the rate of return on the property considering market conditions on the valuation date and the profile of the property. The estimated market rental rate per square metre and capitalisation rate would have a direct and an inverse effect on the fair value of the property respectively.

Depreciated replacement cost method

The key unobservable inputs of this method are construction cost per square metre and where applicable, estimated cost to complete per square metre. Construction cost and estimated cost to complete are estimated by the valuer based on market construction rates for similar properties as at the date of valuation and/or the Group's recent construction contract costs. A depreciation factor is then applied to the total estimated construction costs to reflect the remaining economic life of the property in deriving its fair value.

In 2013, depreciated replacement cost method was used for a Singapore warehouse under construction and it was valued using the Group's recent construction experience as a key input. The construction contracts used had varying specifications and were concluded within the last three years under stable market conditions with cost/estimated cost to complete ranging $1,100 to $2,400 per square metre. The construction cost or estimated cost to complete per square metre would affect the fair value of the property directly. This warehouse was completed in 2014.

20. PROPERTY, PLANT AND EQUIPMENT

	Freehold land and buildings	Leasehold land and buildings	Plant and machinery, furniture and fittings	Computer equipment and software costs	Motor vehicles and trucks	Construction-in-progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
The Group							
2014							
Cost							
Beginning of financial year	21,241	107,671	143,546	9,709	3,306	20,324	305,797
Currency translation differences	(147)	(347)	(879)	(34)	26	(88)	(1,469)
Additions	14,845	8,191	7,549	558	364	17,194	48,701
Disposals	-	-	(8,709)	(486)	(412)	-	(9,607)
Transfer from investment properties (Note 19)	-	4,430	-	-	-	-	4,430
Reclassification/Transfer	98	13,081	4,108	30	-	(17,317)	-
End of financial year	36,037	133,026	145,615	9,777	3,284	20,113	347,852
Accumulated depreciation							
Beginning of financial year	4,770	28,546	79,284	7,603	1,660	-	121,863
Currency translation differences	44	(232)	(444)	(19)	12	-	(639)
Disposals	-	-	(5,520)	(480)	(412)	-	(6,412)
Depreciation charge (Note 7)	543	2,044	7,436	817	341	-	11,181
End of financial year	5,357	30,358	80,756	7,921	1,601	-	125,993
Cost less accumulated depreciation at end of financial year	30,680	102,668	64,859	1,856	1,683	20,113	221,859
Accumulated impairment losses							
Beginning of financial year	103	21,738	7,388	-	-	-	29,229
Currency translation differences	(1)	(25)	71	-	-	-	45
Impairment charge (Note 6)	-	-	541	-	-	-	541
Disposals	-	-	(2,461)	-	-	-	(2,461)
End of financial year	102	21,713	5,539	-	-	-	27,354
Net book value at end of financial year	**30,578**	**80,955**	**59,320**	**1,856**	**1,683**	**20,113**	**194,505**

20. PROPERTY, PLANT AND EQUIPMENT (continued)

	Freehold land and buildings $'000	Leasehold land and buildings $'000	Plant and machinery, furniture and fittings $'000	Computer equipment and software costs $'000	Motor vehicles and trucks $'000	Construction-in-progress $'000	Total $'000
The Group							
2013							
Cost							
Beginning of financial year	7,808	103,150	154,905	12,512	2,786	40,476	321,637
Currency translation differences	(70)	223	(31)	(254)	44	(216)	(304)
Additions	13,517	7,379	10,996	1,761	1,857	18,386	53,896
Disposals	(10)	(215)	(45,579)	(4,251)	(1,381)	-	(51,436)
Revaluation gain (Note 28(b)(i))	-	1,762	-	-	-	-	1,762
Adjustment on revaluation	-	(8,688)	-	-	-	-	(8,688)
Transfer to investment properties (Note 19)	-	(10,691)	-	-	-	-	(10,691)
Reclassification/Transfer	(4)	14,751	23,255	(59)	-	(38,322)	(379)
End of financial year	21,241	107,671	143,546	9,709	3,306	20,324	305,797
Accumulated depreciation							
Beginning of financial year	4,442	34,456	105,340	11,123	2,152	-	157,513
Currency translation differences	(18)	(140)	(99)	(250)	36	-	(471)
Disposals	(10)	(215)	(32,177)	(4,238)	(733)	-	(37,373)
Depreciation charge (Note 7)	356	1,659	6,218	1,027	205	-	9,465
Adjustment on revaluation	-	(6,892)	-	-	-	-	(6,892)
Reclassification/Transfer	-	(322)	2	(59)	-	-	(379)
End of financial year	4,770	28,546	79,284	7,603	1,660	-	121,863
Cost less accumulated depreciation at end of financial year	16,471	79,125	64,262	2,106	1,646	20,324	183,934
Accumulated impairment losses							
Beginning of financial year	107	23,488	18,186	-	-	-	41,781
Currency translation differences	(4)	46	557	-	-	-	599
Impairment charge (Note 6)	-	-	1,100	-	-	-	1,100
Disposals	-	-	(12,455)	-	-	-	(12,455)
Adjustment on revaluation	-	(1,796)	-	-	-	-	(1,796)
End of financial year	103	21,738	7,388	-	-	-	29,229
Net book value at end of financial year	16,368	57,387	56,874	2,106	1,646	20,324	154,705

20. PROPERTY, PLANT AND EQUIPMENT (continued)

	Plant and machinery, furniture and fittings $'000	Computer equipment and software costs $'000	Total $'000
The Company			
2014			
Cost			
Beginning of financial year	1,263	105	1,368
Additions	59	5	64
End of financial year	1,322	110	1,432
Accumulated depreciation			
Beginning of financial year	234	101	335
Depreciation charge	93	3	96
End of financial year	327	104	431
Cost less accumulated depreciation at end of financial year	995	6	1,001
Accumulated impairment losses			
Beginning and end of financial year	270	-	270
Net book value at end of financial year	**725**	**6**	**731**
2013			
Cost			
Beginning of financial year	1,193	102	1,295
Additions	70	3	73
End of financial year	1,263	105	1,368
Accumulated depreciation			
Beginning of financial year	145	97	242
Depreciation charge	89	4	93
End of financial year	234	101	335
Cost less accumulated depreciation at end of financial year	1,029	4	1,033
Accumulated impairment losses			
Beginning and end of financial year	270	-	270
Net book value at end of financial year	759	4	763

20. PROPERTY, PLANT AND EQUIPMENT (continued)

Details of properties of the Group under property, plant and equipment are as follows:

Location	Description and existing use	Approximate land area (in sq. metres)	Tenure	Carrying amount 2014 $'000	Carrying amount 2013 $'000
Singapore					
3 Senoko Way	Office, factory and warehouse	27,638	30 years leasehold with effect from April 1994 with an option to renew for a further 30 years	**45,399**	34,403
Cambodia					
No. 385, Tachet, Beung Thom, Posenchey, Phnom Penh, Cambodia	Industrial land for factory use	92,769	50 years leasehold with effect from March 2014 with an option to renew for a further 50 years	**6,639**	-
Indonesia					
122, 123, 126, 129, 135 & 137/MS Ciampel District Karawang Regency, West Java Province	Industrial land for factory use	85,031	30 years lease perpetually renewable at a nominal cost	**14,687**	-
United States of America					
755 Epperson Drive City of Industry, California 91748	Office and warehouse	4,068	Freehold	**730**	767
The People's Republic of China					
1 Southwest Street, Sanshui District, Foshan, Guangdong	Factory and trading depot	25,308	Leasehold expiring in year 2063	**7,716**	7,202
Malaysia					
Lot No.66134 & 154475, Jalan Jelapang, Jelapang Industrial Area, Ipoh, Perak, Malaysia	Factory and trading depot	29,428	Leasehold expiring in year 2033 and 2048 respectively	**168**	179
Lot No.65644, Jalan Jelapang, Jelapang Industrial Area, Ipoh, Perak, Malaysia	Factory and trading depot	20,334	Leasehold expiring in year 2033	**627**	605
Lot No.154474, Jalan Jelapang, Jelapang Industrial Area, Ipoh, Perak, Malaysia	Factory and trading depot	6,100	Leasehold expiring in year 2048		
No. 7 Jalan Tandang, Petaling Jaya, Selangor, Malaysia	Office, factory and trading depot	11,635	Leasehold expiring in year 2058	**1,169**	596

20. PROPERTY, PLANT AND EQUIPMENT (continued)

Details of properties of the Group under property, plant and equipment are as follows: (continued)

Location	Description and existing use	Approximate land area (in sq. metres)	Tenure	Carrying amount 2014 $'000	Carrying amount 2013 $'000
Malaysia (continued)					
No.121 & 191, Jalan Utas, Shah Alam, Selangor, Malaysia	Factory and trading depot	39,775	Leasehold expiring in year 2074 and 2073 respectively	**7,948**	6,945
Lot PTD 90047, 6th Miles, Jalan Kota Tinggi, Pandan, Johor Bahru, Johor, Malaysia	Office, warehouse, factory and trading depot	27,757	Interest in perpetuity subject to payment of annual rent	**2,460**	2,524
Lot 2050, Jalan Bintawa, Pending Industrial Estate, Kuching, Sarawak, Malaysia	Factory and trading depot	13,804	Leasehold expiring in year 2027	**74**	81
Lot No. 1347 & 1348 Jalan Swasta, Pending Industrial Estate, Kuching, Sarawak, Malaysia	Industrial building and land	29,368	Leasehold expiring in year 2027	**742**	831
PLO 247, Jalan Gangsa, Pasir Gudang Industrial Estate, Johor, Malaysia	Industrial building and land	24,232	Leasehold expiring in year 2050	**6,234**	6,545
Lot 764, Mukim Bukit Raja, Shah Tempat Padang Jawa, Daerah Petaling, Malaysia	Office and warehouse	17,630	Freehold	**12,701**	13,077
No.986 Jalan Perusahaan and No.988-990, Solok Perusahaan Tiga, Kawasan MIEL Prai Industrial Estate Prai, Pulau Pinang, Malaysia	Office and warehouse	7,980	Leasehold expiring in year 2071	**4,239**[(1)]	-
				111,533	73,755

Legend:
(1) Transferred from investment properties during 2014.

21. INTANGIBLE ASSETS

Goodwill arising on consolidation

	The Group	
	2014	2013
	$'000	$'000
Cost		
Beginning and end of financial year	**5,361**	5,361
Accumulated impairment		
Beginning and end of financial year	**(5,361)**	(5,361)
Net book value	**-**	-

Goodwill is allocated to the Group's cash-generating units ("CGUs") identified within the consumer food and beverage products business segment in the People's Republic of China.

The goodwill in the CGUs was fully impaired in 2008.

22. DEFERRED INCOME TAXES

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset 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 balance sheets as follows:

	The Group		The Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Deferred income tax assets	**(2,651)**	(3,415)	**-**	-
Deferred income tax liabilities	**7,248**	6,227	**88**	3,283
	4,597	2,812	**88**	3,283

Movements in the deferred income tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) are as follows:

Deferred income tax liabilities

	Accelerated tax depreciation	Fair value gains-net	Total
The Group	**$'000**	**$'000**	**$'000**
2014			
Beginning of financial year	**6,685**	**1,564**	**8,249**
Currency translation differences	**(32)**	**69**	**37**
Charged to profit or loss	**1,208**	**77**	**1,285**
End of financial year	**7,861**	**1,710**	**9,571**
2013			
Beginning of financial year	3,336	1,391	4,727
Currency translation differences	(73)	55	(18)
Charged to profit or loss	2,982	118	3,100
Charged to equity (Note 28(b)(i))	440	-	440
End of financial year	6,685	1,564	8,249

22. DEFERRED INCOME TAXES (continued)

Deferred income tax assets

	Unutilised capital allowances and tax losses $'000	Provisions $'000	Total $'000
The Group			
2014			
Beginning of financial year	**(2,858)**	**(2,579)**	**(5,437)**
Currency translation differences	**8**	**4**	**12**
(Credited)/Charged to profit or loss	**(1,012)**	**1,463**	**451**
End of financial year	**(3,862)**	**(1,112)**	**(4,974)**
2013			
Beginning of financial year	(1,332)	(519)	(1,851)
Currency translation differences	(74)	84	10
Credited to profit or loss	(1,452)	(2,144)	(3,596)
End of financial year	(2,858)	(2,579)	(5,437)

Deferred income tax assets are recognised for tax losses and capital allowances carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group has unrecognised tax losses of $20,644,000 (2013: $19,859,000) and unrecognised capital allowances of $604,000 (2013: $630,000) at the balance sheet date with varying expiry dates which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies with unrecognised tax losses and capital allowances in their respective countries of incorporation. $8,555,000 tax losses will expire between 2015 and 2019 (2013: $9,158,000 tax losses will expire between 2015 and 2031) and $12,089,000 (2013: $10,701,000) tax losses do not have expiry date.

Deferred income tax liabilities of $4,061,000 (2013: $3,915,000) have not been recognised for the withholding and other taxes that will be payable on the earnings of overseas subsidiaries when remitted to the holding company. These unremitted earnings are permanently reinvested and amount to $13,538,000 (2013: $13,050,000) at the balance sheet date.

Deferred income tax liabilities

	Accelerated tax depreciation $'000
The Company	
2014	
Beginning of financial year	**3,283**
Credited to profit or loss	**(3,195)**
End of financial year	**88**
2013	
Beginning of financial year	2,748
Charged to profit or loss	535
End of financial year	3,283

23. TRADE AND OTHER PAYABLES - CURRENT

	The Group		The Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Trade payables - Non-related parties	**24,571**	31,873	**-**	-
Other payables				
- Non-related parties	**8,957**	16,172	**244**	142
- Subsidiaries	**-**	-	**187,492**	157,794
	8,957	16,172	**187,736**	157,936
Accruals for operating expenses	**40,884**	47,834	**3,667**	2,402
	74,412	95,879	**191,403**	160,338

Other payables to non-related parties and subsidiaries are unsecured, interest-free and repayable on demand.

24. BORROWINGS

	The Group	
	2014	2013
	$'000	$'000
Current bank borrowings	**2,400**	7,036
Non-current bank borrowings	**4,600**	7,000
Total borrowings	**7,000**	14,036

The exposure of the borrowings of the Group to interest rate changes and the contractual repricing dates at the balance sheet date are as follows:

	The Group	
	2014	2013
	$'000	$'000
6 months or less	**1,200**	5,836
6 to 12 months	**1,200**	1,200
1 to 5 years	**4,600**	7,000
	7,000	14,036

(a) Secured liabilities

Included in bank borrowings are the following secured liabilities:

	The Group	
	2014	2013
	$'000	$'000
Current bank borrowings	**-**	1,636

In 2013, current bank borrowings of a subsidiary of $1,636,000 were secured by a first mortgage over an investment property of a subsidiary with a carrying amount of $41,960,000 (Note 19).

24. BORROWINGS (continued)

(b) Fair value of non-current borrowings

The fair value of non-current bank borrowings is as follows:

	The Group	
	2014	2013
	$'000	$'000
Non-current bank borrowings	**4,497**	6,673

The fair value above is determined from cash flow analysis, discounted at market borrowing rate of an equivalent instrument at the balance sheet date which the directors expect to be available to the Group at 1.64% (2013: 2.91%) per annum. The fair values are within Level 2 of the fair value hierarchy.

25. PROVISIONS FOR OTHER LIABILITIES AND CHARGES

	The Group	
	2014	2013
	$'000	$'000
Provision for retirement benefits	**2,494**	2,411

Movements in provision for retirement benefits are as follows:

	The Group	
	2014	2013
	$'000	$'000
Beginning of financial year	**2,411**	2,336
Currency translation differences	**(38)**	(107)
Provision made (Note 8)	**265**	319
Provision utilised	**(144)**	(137)
End of financial year	**2,494**	2,411

The amount recognised in the Group's balance sheet is analysed as follows:

	The Group	
	2014	2013
	$'000	$'000
Present value of unfunded obligations/liabilities recognised in the balance sheet	**2,494**	2,411

The retirement benefit plan of a subsidiary is not funded. There are no plan assets or actual returns on plan assets.

As of 31 December 2014, the provision for retirement benefits consists of non-contributory unfunded retirement benefits scheme for employees who are eligible under a collective bargaining agreement.

The current service and interest cost recognised in profit or loss in respect of the provision for retirement benefits amounted to $151,000 and $114,000 (2013: $197,000 and $122,000) respectively.

25. PROVISIONS FOR OTHER LIABILITIES AND CHARGES (continued)

The principal actuarial assumptions used are discount rate at 5% (2013: 5%) per annum and expected rate of salary increases at 5% (2013: 5%) per annum.

The latest actuarial valuation of the plan was carried out at 4 December 2014 and the Directors are of the view that any changes in the principal actuarial assumptions applied in the valuation report at the reporting date are insignificant and therefore, the actuarial valuation will not differ materially from its carrying value.

26. SHARE CAPITAL

	Number of ordinary shares	*Amount*
	Issued share capital '000	**Share capital $'000**
2014		
Beginning of financial year	**574,328**	**219,188**
Shares issued	**233**	**405**
End of financial year	**574,561**	**219,593**
2013		
Beginning of financial year	574,122	218,865
Shares issued	206	323
End of financial year	574,328	219,188

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

YHS Share Incentive Plan

The YHS Share Incentive Plan (the "Plan") is an omnibus share incentive scheme which amalgamates a share option plan component and a performance share plan component. Participants will be selected at the sole discretion of the Remuneration Committee from eligible categories of persons comprising (i) employees and directors of the Group, (ii) employees and directors of associated companies, and (iii) associates (being employees of companies within the Far East Organization) who spend more than half of their time performing services out-sourced by the Company to the associates' employer. Persons who are the Company's controlling shareholders or their associates (as those terms are defined in the Listing Manual of the Singapore Exchange Securities Trading Limited) will not be eligible to participate in the Plan. The aggregate number of new shares which may be issued pursuant to options and/or awards granted under the Plan on any date, when added to the number of new shares issued and issuable in respect of all options and awards granted under the Plan, shall not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company. Unless earlier terminated or extended with the approval of the members of the Company, the Plan will continue in force, at the discretion of the Committee, for a maximum period of 10 years commencing on the date of its adoption.

Under the share option plan component, an option granted pursuant to the Plan represents a right to acquire ordinary shares in the Company at the acquisition price per share applicable to the option. The acquisition price per share is fixed at the time of the grant of the option and may be set at the market price, or at a discount to the market price, or at the market price subject to adjustment with a discount if prescribed performance conditions are met, or at a premium to the market price. Any discount given must not exceed 20% of the market price of a share.

Under the performance share plan component, an award granted represents a contingent right to receive fully paid ordinary shares in the Company, their equivalent cash value or combinations thereof, free of charge, provided that prescribed performance targets (if any) are met and upon expiry of the prescribed vesting periods.

26. SHARE CAPITAL (continued)

YHS Share Incentive Plan (continued)

Subject to the Plan size and the individual and collective limits applicable to associates under the Plan, the number of shares that will be comprised in an option or award, and the terms thereof, including any vesting or other conditions, will be determined by the Committee at its sole discretion having regard to various factors such as (but not limited to) the participant's capability, responsibilities, skill sets, and the objective desired to be achieved through the grant.

The person to whom the awards have been granted has no right to participate by virtue of the award in share issue of any other company.

Grants of awards were made pursuant to the Plan in 2014. The following table sets out the movements in awards granted pursuant to the Plan and their weighted average fair values at grant date.

	2014	2013
Number of ordinary shares under award		
Beginning of financial year	**476,000**	376,000
Granted during the year	**24,000**	339,000
Shares issued during the year	**(233,000)**	(206,000)
Forfeited during the year	**-**	(33,000)
End of financial year	**267,000**	476,000
Weighted average fair value per award based on market price per share at grant date	**$2.54**	$2.16
Weighted average remaining contractual life (days)	**218**	342

No share option has been granted under the Plan.

27. CAPITAL RESERVE

Composition:

	The Group	
	2014	2013
	$'000	$'000
Capital reserve arising on consolidation	**2,352**	2,352
Share of capital reserve of an associated company	**3,714**	3,714
	6,066	6,066

28. OTHER RESERVES

(a) Composition:

	The Group		The Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Property revaluation reserve	**18,905**	18,919	**-**	-
Fair value reserve	**117,796**	218,374	**280**	140
Foreign currency translation reserve	**(35,588)**	(38,239)	**-**	-
General reserve	**(37,750)**	(37,250)	**-**	-
Share-based payment reserve	**428**	454	**428**	454
	63,791	162,258	**708**	594

(b) Movements:

	The Group		The Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
(i) Property revaluation reserve				
Beginning of financial year	**18,919**	17,597	**-**	-
Revaluation gain on property, plant and equipment (Note 20)	**-**	1,762	**-**	-
Tax on revaluation gain (Note 10(c))	**-**	(440)	**-**	-
	-	1,322	**-**	-
Transfer to retained profits on realisation	**(14)**	-	**-**	-
End of financial year	**18,905**	18,919	**-**	-
(ii) Fair value reserve				
Beginning of financial year	**218,374**	189,806	**140**	7,637
Fair value (losses)/gains on available-for-sale financial assets (Note 15)	**(99,090)**	47,196	**140**	2,952
Reclassification to profit or loss	**(1,488)**	(18,628)	**-**	(10,449)
End of financial year	**117,796**	218,374	**280**	140
(iii) Foreign currency translation reserve				
Beginning of financial year	**(38,239)**	(40,183)	**-**	-
Net currency translation differences of financial statements of foreign subsidiaries and associated companies	**2,651**	1,944	**-**	-
End of financial year	**(35,588)**	(38,239)	**-**	-

28. OTHER RESERVES (continued)

(b) Movements: (continued)

	The Group		The Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
(iv) *General reserve*				
Beginning of financial year	**(37,250)**	1,088	**-**	-
Acquisition of non-controlling interests in a subsidiary	**-**	(35,680)	**-**	-
Reclassification to profit or loss	**(490)**	(2,658)	**-**	-
Transfer to retained profits on realisation	**(10)**	-	**-**	-
End of financial year	**(37,750)**	(37,250)	**-**	-
(v) *Share-based payment reserve*				
Beginning of financial year	**454**	453	**454**	453
Employee share-based compensation scheme				
- Value of employee services (Note 8)	**379**	324	**379**	324
- Issue of new shares	**(405)**	(323)	**(405)**	(323)
End of financial year	**428**	454	**428**	454

Other reserves are non-distributable.

29. DIVIDENDS

	The Group	
	2014	2013
	$'000	$'000
Ordinary dividends paid		
First and final dividend paid in respect of the previous financial year of 2 cents (2013: 1 cent) per share, tax exempt (1-tier)	**11,491**	5,744
One-time special dividend paid in respect of the previous financial year of 5 cents (2013: nil) per share, tax exempt (1-tier)	**28,726**	-
	40,217	5,744

The directors have proposed a first and final dividend of 2 cents per ordinary share, tax exempt (1-tier) amounting to $11,493,000 for approval by shareholders at the forthcoming annual general meeting to be convened for the financial year ended 31 December 2014.

These financial statements do not reflect these dividends, which will be accounted for in shareholders' equity as an appropriation of retained profits in the financial year ending 31 December 2015.

30. COMMITMENTS

(a) Operating lease commitments - where the Group is a lessee

The Group leases land, warehouses, plant and machinery, vending machines and office equipment from non-related parties under non-cancellable operating lease agreements. The leases have varying terms and renewal rights.

The future minimum lease payments payable under non-cancellable operating leases contracted for at the balance sheet date but not recognised as liabilities, are as follows:

	The Group		The Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Not later than one year	**4,706**	4,399	**700**	655
Between one and five years	**9,689**	10,208	**2,837**	2,689
Later than five years	**4,432**	4,201	**4,432**	4,201
	18,827	18,808	**7,969**	7,545

(b) Operating lease commitments - where the Group is a lessor

The Group leases out land, office spaces and warehouses to non-related parties under non-cancellable operating leases.

The future minimum lease receivables under non-cancellable operating leases contracted for at the balance sheet date but not recognised as receivables, are as follows:

	The Group		The Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Not later than one year	**5,693**	3,684	**168**	121
Between one and five years	**12,254**	11,388	**146**	140
Later than five years	**-**	1,070	**-**	-
	17,947	16,142	**314**	261

(c) Capital commitments

Capital expenditures contracted for at the balance sheet date but not recognised in the financial statements are as follows:

	The Group		The Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Capital commitments in respect of purchase and construction of property, plant and equipment approved and contracted for	**4,948**	25,109	**542**	10,196

31. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group's activities expose it to market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity 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 Group uses financial instruments such as currency forwards and foreign currency borrowings to manage certain financial risk exposures.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group.

(a) Market risk

(i) *Currency risk*

The Group operates in a number of countries with dominant operations in Singapore, Malaysia and the People's Republic of China. Sale and purchase transactions between the companies in the Group are mainly denominated in Singapore Dollar.

Whenever possible, in their respective dealings with third parties, the companies in the Group would use their respective functional currencies, to minimise foreign currency risk.

Currently, the Group will try to manage its currency exposures by having natural hedges between its foreign currency receivables and payables.

The Group's currency exposure is as follows:

		← SGD equivalent				→	
	SGD	**USD**	**HKD**	**RMB**	**RM**	**Other**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
At 31 December 2014							
Financial assets							
Cash and cash equivalents	101,665	18,067	3,107	1,480	3,767	2,735	130,821
Trade and other receivables*	17,903	6,375	590	423	31,458	10,063	66,812
Intra-group balances	430,879	36,781	6,411	15,760	130,013	22	619,866
	550,447	61,223	10,108	17,663	165,238	12,820	817,499
Financial liabilities							
Borrowings	(7,000)	-	-	-	-	-	(7,000)
Intra-group balances	(430,879)	(36,781)	(6,411)	(15,760)	(130,013)	(22)	(619,866)
Other financial liabilities	(22,255)	(1,991)	(805)	(4,044)	(39,922)	(5,395)	(74,412)
	(460,134)	(38,772)	(7,216)	(19,804)	(169,935)	(5,417)	(701,278)
Net financial assets/ (liabilities)	90,313	22,451	2,892	(2,141)	(4,697)	7,403	116,221
Less: Net financial (assets)/liabilities denominated in the respective entities' functional currencies	(93,756)	(3,546)	(2,892)	2,133	4,496	(7,904)	
Currency exposure	**(3,443)**	**18,905**	**-**	**(8)**	**(201)**	**(501)**	

31. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) *Currency risk* (continued)

The Group's currency exposure is as follows: (continued)

		←		SGD equivalent		→	
	SGD	**USD**	**HKD**	**RMB**	**RM**	**Other**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
At 31 December 2013							
Financial assets							
Cash and cash equivalents	151,648	28,004	1,514	695	5,088	2,683	189,632
Trade and other receivables*	32,587	7,247	694	1,732	32,567	10,459	85,286
Intra-group balances	197,861	22,380	853	12,286	-	20	233,400
	382,096	57,631	3,061	14,713	37,655	13,162	508,318
Financial liabilities							
Borrowings	(12,400)	-	(1,636)	-	-	-	(14,036)
Intra-group balances	(197,861)	(22,380)	(853)	(12,286)	-	(20)	(233,400)
Other financial liabilities	(34,103)	(7,072)	(583)	(6,682)	(41,916)	(5,523)	(95,879)
	(244,364)	(29,452)	(3,072)	(18,968)	(41,916)	(5,543)	(343,315)
Net financial assets/ (liabilities)	137,732	28,179	(11)	(4,255)	(4,261)	7,619	165,003
Less: Net financial (assets)/liabilities denominated in the respective entities' functional currencies	(132,347)	(7,375)	12	4,258	4,261	(8,455)	
Currency exposure	**5,385**	**20,804**	**1**	**3**	**-**	**(836)**	

31. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

The Company's currency exposure is as follows:

	SGD equivalent		
	USD	**HKD**	**RMB**
	$'000	**$'000**	**$'000**
At 31 December 2014			
Financial assets			
Cash and cash equivalents	11	-	-
Other receivables*	909	-	1,800
Loans to subsidiaries	6,742	-	-
	7,662	-	1,800
Financial liabilities			
Other financial liabilities	(763)	(277)	-
	(763)	(277)	-
Currency exposure	**6,899**	**(277)**	**1,800**
At 31 December 2013			
Financial assets			
Cash and cash equivalents	5	-	-
Other receivables*	770	-	2,682
Loans to subsidiaries	6,469	-	1,025
	7,244	-	3,707
Financial liabilities			
Other financial liabilities	(736)	(266)	(6)
	(736)	(266)	(6)
Currency exposure	**6,508**	**(266)**	**3,701**

Legend:

SGD - Singapore Dollar
USD - United States Dollar
HKD - Hong Kong Dollar
RMB - Chinese Renminbi
RM - Malaysian Ringgit
* - Exclude prepayments

31. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

If the USD, RM, RMB and HKD had changed against the SGD by 5% (2013: 1%), 1% (2013: nil), 7.5% (2013: 2.3%) and 5% (2013: 4%) respectively with all other variables including tax rate being held constant, the effects arising from the net financial asset/liability position would have been as follows:

	Increase/(Decrease)	
	2014	2013
	Profit after tax	Profit after tax
	$'000	$'000
The Group		
USD against SGD		
- strengthened	**794**	169
- weakened	**(794)**	(169)
RM against SGD		
- strengthened	**(2)**	-
- weakened	**2**	-
The Company		
USD against SGD		
- strengthened	**286**	54
- weakened	**(286)**	(54)
RMB against SGD		
- strengthened	**112**	69
- weakened	**(112)**	(69)
HKD against SGD		
- strengthened	**(11)**	(9)
- weakened	**11**	9

The currency risk analysis for RMB and HKD is insignificant to the Group as the net financial assets/(liabilities) in these currencies are mainly recorded in the respective entities' functional currencies, resulting in minimal currency exposures.

31. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(ii) Price risk

The Group is exposed to securities price risk arising from equity investments listed in Singapore (2013: Singapore and Hong Kong) which are classified as available-for-sale. The Group is not exposed to commodity price risk.

If prices of securities listed in Singapore had changed by 7% (2013: Singapore and Hong Kong had changed by 4% and 10% respectively) with all other variables including tax rate being held constant, the effects on other comprehensive income would have been:

	Increase/(Decrease)	
	2014	2013
	Other comprehensive income	Other comprehensive income
	$'000	$'000
The Group		
Listed in Singapore		
- increased by	**10,391**	9,896
- decreased by	**(10,391)**	(9,896)
Listed in Hong Kong		
- increased by	**-**	261
- decreased by	**-**	(261)

(iii) Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates.

The Group places cash in excess of operating requirements in fixed deposits with financial institutions. If SGD interest rates had increased/decreased by 0.20% (2013: 0.10%) with other variables including tax rate being held constant, the profit after tax would have been higher/lower by $132,000 (2013: $73,000) for the Group and the Company as a result of higher/lower interest income.

The Group obtains financing primarily through bank borrowings. The exposure of the Group to cash flow interest rate risks arises mainly from variable-rate borrowings. The Group's policy is to obtain the most favourable interest rates available.

Borrowings of the Group at variable rates on which effective hedges have not been entered into are denominated mainly in SGD. If SGD interest rate had increased/decreased by 0.20% (2013: 0.10%) with all other variables including tax rate being held constant, the profit after tax would have been lower/higher by $11,000 (2013: $10,000) for the Group as a result of higher/lower interest expense on these borrowings.

31. FINANCIAL RISK MANAGEMENT (continued)

(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. The major classes of financial assets of the Group and of the Company are bank deposits and trade and other receivables. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit history. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

To minimise credit risk for trade receivables, management ensures that proper credit evaluation is done on potential customers, and that proper approvals have been obtained for the determination of credit limits. Management monitors the status of outstanding debts and ensures that follow-up action is taken to recover the overdue amounts.

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the balance sheet.

The credit risk for trade receivables is as follows:

	The Group	
	2014	2013
	$'000	$'000
By geographical areas		
Singapore	**15,634**	24,077
Malaysia	**27,823**	27,235
China and Hong Kong	**707**	1,832
North America	**2,066**	3,632
Indonesia	**6,405**	3,074
Europe	**1,340**	1,683
Other countries	**4,325**	3,923
	58,300	65,456
By types of customers		
Consumer food and beverage products		
Related parties	**32**	140
Non-related parties:		
- Supermarkets, minimart chains, provision shops and gas stations	**17,406**	24,613
- Hotels, bars/pubs, restaurants, food courts and coffee shops	**5,189**	4,817
- Wholesalers and distributors	**35,380**	31,121
- Vending sales	**227**	257
- Other	**66**	465
	58,300	61,413
Property development		
Non-related parties:		
- Individuals	**-**	4,043
	58,300	65,456

31. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

(i) Financial assets that are neither past due nor impaired

Bank deposits that are neither past due nor impaired are mainly deposits with banks with high credit-ratings assigned by international credit-rating agencies. Trade receivables, which are neither past due nor impaired, are assessed by historical information about counterparty default rates monitored by key management as follows:

	The Group	
	2014	2013
	$'000	$'000
New customers with less than six months experience	**815**	5,187
Existing customers with no defaults in the past	**41,034**	43,161
	41,849	48,348

(ii) Financial assets that are past due and/or impaired

There is no other class of financial assets that is past due and/or impaired except for trade receivables and other receivables from associated companies that are fully impaired (Note 13).

The age analysis of trade receivables past due but not impaired is as follows:

	The Group	
	2014	2013
	$'000	$'000
Past due less than three months	**15,746**	13,859
Past due three to six months	**621**	2,555
Past due over six months	**84**	694
	16,451	17,108

The carrying amount of trade receivables individually determined to be impaired and the movements in the related allowance for impairment are as follows:

	The Group	
	2014	2013
	$'000	$'000
Trade receivables overdue and impaired	**701**	793
Less: Allowance for impairment	**(701)**	(793)
	-	-
Beginning of financial year	**793**	1,369
Currency translation differences	**-**	(84)
Allowance made/(written back) (Note 7)	**50**	(89)
Allowance utilised	**(142)**	(403)
End of financial year	**701**	793

31. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk

The Group manages the liquidity risk by maintaining sufficient cash and cash equivalents to finance the Group's operations. In addition to funds generated from its operations, the Group also relies on adequate amount of committed credit facilities and bank borrowings for its working capital requirements.

The table below analyses the maturity profile of financial liabilities of the Group and the Company into relevant maturity groupings based on the remaining period from the balance sheet to the contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

	Less than one year $'000	**Between one and five years $'000**	**Over five years $'000**	**Total $'000**
The Group				
At 31 December 2014				
Trade and other payables	**(74,412)**	**-**	**-**	**(74,412)**
Borrowings	**(2,496)**	**(4,682)**	**-**	**(7,178)**
Other non-current liabilities	**-**	**(34)**	**(2,494)**	**(2,528)**
	(76,908)	**(4,716)**	**(2,494)**	**(84,118)**
At 31 December 2013				
Trade and other payables	(95,879)	-	-	(95,879)
Borrowings	(7,149)	(7,152)	-	(14,301)
Other non-current liabilities	-	(33)	(2,411)	(2,444)
	(103,028)	(7,185)	(2,411)	(112,624)

	Less than one year $'000
The Company	
At 31 December 2014	
Other payables	**(191,403)**
At 31 December 2013	
Other payables	(160,338)

(d) Capital risk

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholders' value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

Management monitors capital based on a gearing ratio. This ratio is calculated as net debt divided by total capital employed. Net debt is calculated as borrowings plus trade and other payables less cash and cash equivalents. Where cash holding exceeds net debt, net debt is considered zero and hence no gearing. Total capital employed is calculated as equity plus net debt.

31. FINANCIAL RISK MANAGEMENT (continued)

(d) Capital risk (continued)

The gearing ratios as at 31 December 2014 and 31 December 2013 were as follows:

	The Group		The Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Net debt	**-**	-	**105,425**	56,101
Total equity	**627,160**	736,464	**489,970**	518,749
Total capital employed	**627,160**	736,464	**595,395**	574,850
Gearing ratio	**Nil**	Nil	**18%**	10%

The Group and the Company are in compliance with all externally imposed capital requirements for the financial year ended 31 December 2013 and 2014.

(e) Fair value measurements

The following table presents assets and liabilities measured at fair value and classified by level of the following fair value measurement hierarchy:

(i) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

(ii) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie. as prices) or indirectly (ie. derived from prices) (Level 2); and

(iii) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

	Level 1	Level 2	Total
	$'000	**$'000**	**$'000**
The Group			
2014			
Assets			
Available-for-sale financial assets	**148,441**	**530**	**148,971**
2013			
Assets			
Available-for-sale financial assets	250,011	360	250,371
The Company			
2014			
Assets			
Available-for-sale financial assets	**-**	**530**	**530**
2013			
Assets			
Available-for-sale financial assets	-	360	360

The fair values of financial assets traded in active markets are based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price. These investments are included in Level 1.

The fair value of financial assets that are not traded in an active market is determined using observable market data. These investments are included in Level 2.

31. FINANCIAL RISK MANAGEMENT (continued)

(f) Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed on the face of the balance sheet, except for the following:

	The Group		The Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Loans and receivables	**197,633**	274,918	**299,491**	311,957
Financial liabilities at amortised cost	**83,940**	112,359	**191,403**	160,338

32. IMMEDIATE AND ULTIMATE HOLDING COMPANY

The Company's immediate and ultimate holding company is Far East Organisation Pte. Ltd., incorporated in Singapore.

33. RELATED PARTY TRANSACTIONS

In addition to information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties during the financial year at terms agreed between the parties:

(a) Sales and purchases of goods and services

	The Group	
	2014	2013
	$'000	$'000
Amount billed by Far East Orchard Limited Group:		
- Purchase of services	**(10)**	-
- Rental expense	**(30)**	-
Amount billed to/(by) other related parties:		
- Sales of goods and services	**119**	153
- Professional fees	**-**	(245)
- Sales commission and marketing fees	**(38)**	(366)
Amount billed to/(by) Sino Land Company Limited Group:		
- Sales of goods and services	**9**	9
- Purchases of services	**(12)**	(1)
- Rental expense	**-**	(128)

Far East Orchard Limited is a fellow subsidiary of the Company.

Sino Land Company Limited is a shareholder of the Company.

Other related parties comprise companies that are controlled or significantly influenced by the Group's key management personnel or the shareholders of the Company's ultimate holding company.

Outstanding balances at 31 December 2014, arising from sale/purchase of goods and services, are unsecured and receivable/payable within 12 months from balance sheet date and are disclosed in Notes 13 and 23 respectively.

33. RELATED PARTY TRANSACTIONS (continued)

(b) Key management personnel compensation

The key management personnel compensation is as follows:

	The Group	
	2014	2013
	$'000	$'000
Wages and salaries	**2,969**	4,629
Employer's contribution to defined contribution plans including Central Provident Fund	**182**	238
Other benefits	**231**	188
	3,382	5,055

Included in the above is total compensation to directors of the Company amounting to $1,554,000 (2013: $2,851,000).

34. SEGMENT INFORMATION

Management has determined the operating segments based on the reports that are used to make strategic decisions, allocate resources and assess performance by the Chief Executive Officer ("CEO").

Based on segment information reported to the CEO, the Group is organised into three main business segments:

- Consumer food and beverage products
- Property development
- Other investments

Other investments of the Group mainly comprise investment property holding and equity investments holding.

Inter-segment transactions are recorded at their transacted price which is generally at arm's length. Segment assets consist primarily of property, plant and equipment, investment properties, intangible assets, inventories, receivables and operating cash, and exclude current income tax recoverable, deferred income tax assets and investments in associated companies. Segment liabilities comprise operating liabilities and exclude items such as current income tax liabilities, deferred income tax liabilities and bank borrowings.

34. SEGMENT INFORMATION (continued)

The segment information provided to the CEO for the reportable segments for the year ended 31 December 2014 is as follows:

	Consumer food and beverage products $'000	Property development $'000	Other investments $'000	Elimination $'000	The Group $'000
Year ended 31 December 2014					
Revenue					
- External sales	431,737	-	5,867	-	437,604
- Inter-segment sales	-	-	6,508	(6,508)	-
	431,737	-	12,375	(6,508)	437,604
Profit/(Loss) from operation	15,729	(243)	17,845	-	33,331
Share of profit of associated companies	542	-	-	-	542
Segment profit/(loss)	16,271	(243)	17,845	-	33,873
Finance expense					(30)
Profit before income tax					33,843
Income tax expense					(4,892)
Net profit					**28,951**
Segment assets	368,058	158,160	566,206	(382,375)	710,049
Associated companies	5,157	-	-	-	5,157
Unallocated assets					4,185
Consolidated total assets					**719,391**
Segment liabilities	283,885	4,168	168,737	(379,850)	76,940
Unallocated liabilities					15,291
Consolidated total liabilities					**92,231**
Other segment items					
Additions to property, plant and equipment	48,701	-	-	-	**48,701**
Interest income	(111)	-	(800)	-	**(911)**
Depreciation	11,172	-	9	-	**11,181**
Fair value gains on investment properties - net	-	-	(5,346)	-	**(5,346)**
Impairment loss on property, plant and equipment	541	-	-	-	**541**
Property, plant and equipment written-off	672	-	-	-	**672**
Currency translation loss/(gain) - net	809	-	(448)	-	**361**

34. SEGMENT INFORMATION (continued)

The segment information provided to the CEO for the reportable segments for the year ended 31 December 2014 is as follows: (continued)

	Consumer food and beverage products $'000	Property development $'000	Other investments $'000	Elimination $'000	The Group $'000
Year ended 31 December 2013					
Revenue					
- External sales	430,585	80,085	4,660	-	515,330
- Inter-segment sales	-	-	4,856	(4,856)	-
	430,585	80,085	9,516	(4,856)	515,330
Profit from operation	16,337	38,711	38,444	-	93,492
Share of profit of associated companies	500	-	-	-	500
Segment profit	16,837	38,711	38,444	-	93,992
Finance expense					(122)
Profit before income tax					93,870
Income tax expense					(6,232)
Net profit					**87,638**
Segment assets	363,551	166,735	676,433	(356,631)	850,088
Associated companies	5,326	-	-	-	5,326
Unallocated assets					4,570
Consolidated total assets					**859,984**
Segment liabilities	255,202	17,475	191,357	(365,711)	98,323
Unallocated liabilities					25,197
Consolidated total liabilities					**123,520**
Other segment items					
Additions to property, plant and equipment	53,868	-	28	-	**53,896**
Revaluation gain on property, plant and equipment	(1,762)	-	-	-	**(1,762)**
Interest income	(125)	(51)	(470)	-	**(646)**
Depreciation	9,354	-	111	-	**9,465**
Fair value gains on investment properties - net	-	-	(9,035)	-	**(9,035)**
Impairment loss on property, plant and equipment	1,100	-	-	-	**1,100**
Property, plant and equipment written-off	303	-	36	-	**339**
Currency translation loss - net	2,414	-	5,282	-	**7,696**

34. SEGMENT INFORMATION (continued)

Geographical information

The Group's three business segments operate in two main geographical areas:

- Singapore - the Company is headquartered and has operations in Singapore. The operations in this area are principally investment holding, manufacture, sale, distribution and export of beverages, sauces, canned food and provision of vending services and property development.

- Malaysia and Indonesia - the operations in this area are principally production, marketing and sale of beverages and food products.

- Other countries - the operations include manufacturing, sale and distribution of beverages and food products; and investment holding.

With the exception of Singapore and Malaysia and Indonesia, no other individual country contributed more than 10% of consolidated sales. Sales are based on the country in which the customer is located. Non-current assets, comprising investments in associated companies, investment properties, property, plant and equipment and intangible assets, are shown by the geographical area where the assets are located.

	Revenue		Non-current assets	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Singapore	**129,142**	215,755	**76,031**	61,398
Malaysia and Indonesia	**227,553**	222,614	**130,726**	114,382
Other countries	**80,909**	76,961	**98,110**	83,978
	437,604	515,330	**304,867**	259,758

35. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Below are the mandatory standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 January 2015 or later periods and which the Group has not early adopted:

- *FRS 102 Share-based Payment* (effective for annual periods beginning on or after 1 July 2014)

  The amendment clarifies the definition of vesting condition and separately defines 'performance condition' and 'service condition'. The Group will apply this amendment from 1 January 2015, but this is not expected to have any significant impact on the financial statements of the Group.

- *FRS 103 Business Combinations* (effective for annual periods beginning on or after 1 July 2014)

  The standard is amended to clarify that an obligation to pay contingent consideration which meets the definition of a financial instrument is classified as a financial liability or as equity, on the basis of the definitions in FRS 32 Financial instruments: Presentation. The standard is further amended to clarify that all non-equity contingent consideration, both financial and non-financial, is measured at fair value at each reporting date, with changes in fair value recognised in profit or loss.

  The standard is also amended to clarify that FRS 103 does not apply to the accounting for the formation of any joint arrangement under FRS 111. The amendment also clarifies that the scope exemption only applies in the financial statements of the joint arrangement itself.

  The Group will apply this amendment for business combinations taking place on or after 1 January 2015.

35. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS (continued)

Below are the mandatory standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 January 2015 or later periods and which the Group has not early adopted: (continued)

- *FRS 40 Investment Property* (effective for annual periods beginning on or after 1 July 2014)

  The standard is amended to clarify that FRS 40 and FRS 103 are not mutually exclusive. The guidance in FRS 40 assists preparers to distinguish between investment property and owner-occupied property. Preparers also need to refer to the guidance in FRS 103 to determine whether the acquisition of an investment property is a business combination.

  The Group will apply this amendment for acquisition of investment property taking place on or after 1 January 2015.

- *FRS 108 Operating Segments* (effective for annual periods beginning on or after 1 July 2014)

  The standard is amended to require disclosure of the judgements made by management in aggregating operating segments. This includes a description of the segments which have been aggregated and the economic indicators which have been assessed in determining that the aggregated segments share similar economic characteristics. The standard is further amended to require a reconciliation of segment assets to the entity's assets when segment assets are reported.

  This amendment will not result in any changes to the Group's accounting policies but will require more disclosures in the financial statements.

- *FRS 113 Fair Value Measurement* (effective for annual periods beginning on or after 1 July 2014)

  The amendment clarifies that the portfolio exception in FRS 113, which allows an entity to measure the fair value of a group of financial assets and financial liabilities on a net basis, applies to all contracts (including non-financial contracts) within the scope of FRS 39.

  This amendment is not expected to have any significant impact on the financial statements of the Group.

- *FRS 115 Revenue from Contracts with Customers* (effective for annual periods beginning on or after 1 January 2017)

  The standard establishes a framework for determining when and how much revenue to recognise. The objective of the standard establishes principles to report useful information about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer.

  The Group is in the midst of assessing the impact on the financial statements.

36. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Yeo Hiap Seng Limited on 26 February 2015.

37. LISTING OF SIGNIFICANT COMPANIES IN THE GROUP

Name of company/ Country of incorporation	Principal activities	Country of business	Equity holding 2014 %	Equity holding 2013 %
Significant subsidiaries held by the Company				
YHS (Singapore) Pte Ltd (Singapore) (1)	Investment holding, manufacture, sale, distribution and export of beverages, sauces, canned food and provision of vending services	Singapore	**100**	100
YHS International Pte Ltd (Singapore) (1)	Distribution of food and beverages	Singapore	**100**	100
YHS Investment Pte Ltd (Singapore) (1)	Investment holding	Singapore	**100**	100
Yeo Hiap Seng (Shanghai) Co., Ltd (People's Republic of China) (3)	Property holding	The People's Republic of China	**100**	100
Significant subsidiaries held by subsidiaries				
Yeo Hiap Seng (Guangzhou) Food & Beverages Ltd (People's Republic of China) (2)	Distribution of beverages	The People's Republic of China	**100**	100
Yeo Hiap Seng (Guangdong) Food & Beverages Ltd (People's Republic of China) (2)	Manufacture and distribution of beverages	The People's Republic of China	**100**	100
YHS (Cambodia) Food & Beverage Pte Ltd (Cambodia) (2)	Manufacture of food and beverages (currently inactive)	Cambodia	**100**	100
YHS Hong Kong (2000) Pte Limited (Hong Kong) (2)	Distribution of beverages and canned food	Hong Kong	**100**	100
Ranko Way Limited (Hong Kong) (2)	Property holding	Hong Kong	**100**	100
YHS Trading (USA) Inc. (USA) (3)	Distribution of beverages and canned food	USA	**100**	100
YHS (USA) Inc. (USA) (3)	Owns and leases properties	USA	**100**	100
Yeo Hiap Seng (Malaysia) Berhad (Malaysia) (2)	Production, marketing and sale of beverages and food products	Malaysia	**100**	100
Bestcan Food Technological Industrial Sdn Bhd (Malaysia) (2)	Production of instant noodles	Malaysia	**100**	100

37. LISTING OF SIGNIFICANT COMPANIES IN THE GROUP (continued)

Name of company/ Country of incorporation	Principal activities	Country of business	Equity holding 2014 %	2013 %
Significant subsidiaries held by subsidiaries (continued)				
Yeo Hiap Seng (Sarawak) Sdn Bhd (Malaysia) (2)	Production of sauces and non-alcoholic beverages	Malaysia	**100**	100
Yeo Hiap Seng Trading Sdn Bhd (Malaysia) (2)	Distribution of food and beverages	Malaysia	**100**	100
PT YHS Indonesia (Indonesia) (2)	Distribution of food and beverages	Indonesia	**100**	100
PT Botani Beverage Indonesia (Indonesia) (2)	Manufacture of food and beverages (currently inactive)	Indonesia	**100**	100
Significant associated companies held by subsidiaries				
Langfang Yili Dairy Products Co., Ltd (People's Republic of China) (3)	Manufacture and sale of packaged dairy milk and other related products	The People's Republic of China	**25**	25
TM Foods Sdn. Bhd. (Malaysia) (3)	Manufacturing and trading of canned food	Malaysia	**30**	30

Legend:

(1) Audited by KPMG LLP, Singapore (2013: PricewaterhouseCoopers LLP).
(2) Audited by KPMG LLP firms outside Singapore (2013: PricewaterhouseCoopers firms outside Singapore).
(3) Audited by other firms of auditors. The names of the audit firms are as follows:

Companies	Name of audit firm
Yeo Hiap Seng (Shanghai) Co., Ltd	Shinewing Certified Public Accountants, Shanghai
YHS Trading (USA) Inc. YHS (USA) Inc.	MOSS-ADAMS LLP Certified Public Accountants, a member of Moores Rowland International, a professional association of independent accounting firm
Langfang Yili Dairy Products Co., Ltd	BDO China Li Xin Da Hua Certified Public Accountants
TM Foods Sdn. Bhd.	Lim Chong & Co

ANALYSIS OF SHAREHOLDINGS

As at 11 March 2015

Issued and Fully Paid-up Capital	:	S$219,834,196.64
No. of Shares Issued	:	574,659,439
Class of Shares	:	Ordinary Shares
Voting Rights	:	One vote per share
Treasury Shares	:	Nil

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
1 - 99	480	8.24	12,743	0.00
100 - 1,000	1,816	31.18	995,887	0.17
1,001 - 10,000	3,034	52.08	10,262,333	1.79
10,001 - 1,000,000	481	8.26	18,929,373	3.29
1,000,001 & above	14	0.24	544,459,103	94.75
Total	5,825	100.00	574,659,439	100.00

TOP TWENTY SHAREHOLDERS

Name of Shareholders	No. of Shares	% of Shares
Far East Organisation Pte Ltd	309,973,933	53.94
Far East Spring Pte Ltd	63,888,889	11.12
Transurban Properties Pte Ltd	56,342,854	9.80
HSBC (Singapore) Nominees Pte Ltd	30,880,342	5.37
Sino Land Company Limited	24,661,978	4.29
OCBC Securities Private Ltd	15,826,282	2.75
Citibank Nominees Singapore Pte Ltd	14,585,428	2.54
DBS Nominees Pte Ltd	11,541,436	2.01
Bank of East Asia Nominees Pte Ltd	8,146,498	1.42
Estate of Khoo Teck Puat Deceased	2,328,614	0.41
BNP Paribas Nominees Singapore Pte Ltd	2,049,245	0.36
United Overseas Bank Nominees Pte Ltd	1,556,927	0.27
Daiwa (Malaya) Private Limited	1,486,652	0.26
Raffles Nominees (Pte) Ltd	1,190,025	0.21
Morph Investments Ltd	898,700	0.16
OCBC Nominees Singapore Pte Ltd	686,389	0.12
DBS Vickers Securities (S) Pte Ltd	662,479	0.12
Chong Yean Fong	600,000	0.10
Lee Pineapple Company Pte Ltd	581,000	0.10
Maybank Kim Eng Securities Pte Ltd	512,174	0.09
Total	548,399,845	95.44

SUBSTANTIAL SHAREHOLDERS

	Name of Substantial Shareholder	Direct Interest No. of Shares	% of Total Issued Shares	Deemed Interest No. of Shares	% of Total Issued Shares
1.	Far East Organisation Pte. Ltd. ("FEO")	309,973,933	53.99	-	-
2.	Far East Hospitality Services Pte Ltd ("FEHS") (1)	63,888,889	11.13	-	-
3.	Philip Ng Chee Tat ("PN") (2)	-	-	63,888,889	11.13
4.	Transurban Properties Pte. Ltd. ("TPPL")	56,342,854	9.81	-	-
5.	Glory Realty Co. Private Ltd. ("Glory") (3)	-	-	56,342,854	9.81
6.	Madam Tan Kim Choo @ Teng Kim Choo ("Madam Tan") (4)	-	-	398,524,800	69.41
7.	The Estate of Mr. Ng Teng Fong (Deceased) (the "Estate") (5)	-	-	390,978,765	68.10
8.	PepsiCo, Inc. ("PepsiCo") (6)	-	-	-	-
9.	The Concentrate Manufacturing Company of Ireland ("CMCI") (6)	-	-	-	-

Notes:

(1) FEHS is now known as Far East Spring Pte. Ltd.

(2) PN, through his interest in FEHS, is deemed to have an interest in FEHS's shareholding in the Company.

(3) Glory, through its interest in TPPL, is deemed to have an interest in TPPL's shareholding in the Company.

(4) Madam Tan's deemed interest in shares in the Company include her interests through FEO, FEHS and Sino Land Company Limited ("Sino Land").

(5) The Estate's deemed interest in shares in the Company include its interests through FEO, Glory and Sino Land.

(6) (i) Pursuant to undertakings dated 1 July 2011 executed by Jelco Properties Pte Ltd ("Jelco") and FEO in favour of PepsiCo and CMCI (in consideration of PepsiCo and CMCI entering into exclusive bottling appointments with the Company effective as of 1 July 2011) whereby Jelco and FEO agreed to provide PepsiCo and CMCI with preferential rights, in the event, *inter alia*, that Jelco and FEO cease collectively to own 51% of the capital of the Company for the time being, to acquire from Jelco and FEO shares in the Company to be transferred, upon the respective terms of such undertakings.

(ii) As at the date hereof, the above preferential rights have not been exercised.

(7) Based on information available to the Company as at 11 March 2015, approximately 20.85% of the issued ordinary shares of the Company is held by the public, and therefore, Rule 723 of the Listing Manual issued by the Singapore Exchange Securities Trading Limited is complied with.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fifty-ninth Annual General Meeting of the Company will be held in The Auditorium, Yeo Hiap Seng Limited, 3 Senoko Way, Singapore 758057 on Friday, 24 April 2015, at 4.00 p.m. to transact the following business:

ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements for the financial year ended 31 December 2014 and the reports of the Directors and Auditors thereon.

2. To declare a first and final one-tier tax exempt dividend of $0.02 per ordinary share for the financial year ended 31 December 2014.

3. To approve the payment of $953,000 as Directors' fees for the financial year ended 31 December 2014. (2013: $928,140)

4. (i) To re-elect the following Directors:
   (a) Mr. Chin Yoke Choong; and
   (b) Mr. Koh Boon Hwee,

   each of whom retires by rotation pursuant to Articles 97 and 98 of the Articles of Association of the Company.

   (ii) To re-elect Mr. Melvin Teo Tzai Win, who retires pursuant to Article 103 of the Articles of Association of the Company.

   (iii) To re-appoint the following Directors:
   (a) Mr. Ngiam Tong Dow;
   (b) Dato' N. Sadasivan a/l N.N. Pillay; and
   (c) Mr. S. Chandra Das,

   each of whom is over 70 years of age, pursuant to Section 153(6) of the Companies Act, Cap. 50, to hold office from the date of this Annual General Meeting until the next Annual General Meeting of the Company.

5. To re-appoint KPMG LLP as Auditors and to authorise the Directors to fix their remuneration.

SPECIAL BUSINESS

6. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

   "That authority be and is hereby given to the Directors of the Company to:

   (i) (a) issue shares in the capital of the Company ("shares") whether by way of rights, bonus or otherwise; and/or

   (b) 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 or exchangeable 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

   (ii) (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) shall not exceed 50 per cent. of the total number of issued shares excluding treasury shares (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 shall not exceed 20 per cent. of the total number of issued shares excluding treasury shares (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 ("SGX-ST")) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the total number of issued shares excluding treasury shares shall be calculated based on the total number of issued shares excluding treasury shares in the capital of the Company at the time that 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 are outstanding or subsisting at the time this Resolution is passed; and

    (ii) any subsequent bonus issue, consolidation or subdivision of shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association 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."

7. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"That:

(a) for the purposes of Sections 76C and 76E of the Companies Act, Cap. 50 (the "Companies Act"), the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire ordinary shares of the Company ("Shares") not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:

    (i) market purchase(s) on the Singapore Exchange Securities Trading Limited ("SGX-ST") and/or any other stock exchange on which the Shares may for the time being be listed and quoted ("Other Exchange"); and/or

    (ii) off-market purchase(s) (if effected otherwise than on the SGX-ST or, as the case may be, Other Exchange) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws and regulations and rules of the SGX-ST or, as the case may be, Other Exchange as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "Share Purchase Mandate");

(b) unless varied or revoked by the Company in General Meeting, the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:

(i) the date on which the next Annual General Meeting of the Company is held;

(ii) the date by which the next Annual General Meeting of the Company is required by law to be held; and

(iii) the date on which purchases and acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated;

(c) in this Resolution:

"Maximum Limit" means that number of Shares representing 10% of the issued Shares (excluding any Shares held as treasury shares) as at the date of the passing of this Resolution;

"Maximum Price" in relation to a Share to be purchased, means the purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) not exceeding:

(i) in the case of a Market Purchase of a Share, 105% of the Average Closing Price; and

(ii) in the case of an Off-Market Purchase of a Share, 120% of the Average Closing Price,

where:

"Average Closing Price" is the average of the closing market prices of a Share over the last five Market Days on which the Shares were transacted on the SGX-ST or, as the case may be, Other Exchange, before the date of the Market Purchase or, as the case may be, the date of the making of the offer pursuant to an Off-Market Purchase, as deemed to be adjusted for any corporate action that occurs after the relevant five-day period;

"date of the making of the offer" means the date on which the Company makes an offer for the purchase or acquisition of Shares from shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

"Market Day" means a day on which the SGX-ST is open for trading in securities; and

(d) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution."

8. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"That the Directors be and are hereby authorised to grant options and/or awards in accordance with the provisions of the YHS Share Incentive Plan (the "Plan") and allot and issue from time to time such number of shares in the Company as may be required to be issued pursuant to the exercise of options under the Plan and/or such number of fully paid shares in the Company as may be required to be issued pursuant to the vesting of awards under the Plan, provided that the aggregate number of new shares to be issued pursuant to options granted (or to be granted) under the Plan and the vesting of awards granted (or to be granted) under the Plan shall not exceed 10% of the total number of issued shares excluding treasury shares in the capital of the Company from time to time."

9. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

   "That pursuant to Section 161 of the Companies Act, Cap. 50, authority be and is hereby given to the Directors of the Company to allot and issue from time to time such number of shares in the Company as may be required to be allotted and issued pursuant to the Yeo Hiap Seng Limited Scrip Dividend Scheme."

BY ORDER OF THE BOARD

Joanne Lim Swee Lee
Company Secretary

Singapore, 7 April 2015

Notes:

1. A member entitled to attend and vote at this meeting is entitled to appoint not more than two proxies to attend and vote in his stead. A proxy need not be a member of the Company.

2. The instrument appointing a proxy must be deposited at the registered office of the Company at 3 Senoko Way, Singapore 758057 not less than 48 hours before the meeting.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Additional information relating to items of Ordinary and Special Business:

Item 4(i) – A third Director, Mr. Chang See Hiang, retires by rotation and has decided not to seek re-election. Mr. Chang will step down from the Board as an independent Director and concurrently cease to be a member of the Nominating Committee at the conclusion of the Annual General Meeting.

Item 4(i)(a) – Subject to his re-election, Mr. Chin Yoke Choong, who is an independent Director, will continue to serve as a member of the Audit Committee.

Item 4(iii)(a) – Subject to his re-appointment, Mr. Ngiam Tong Dow, who is an independent Director, will continue to serve as chairman of the Audit Committee and a member of the Nominating Committee.

Item 4(iii)(b) – Subject to his re-appointment, Dato' N. Sadasivan a/l N.N. Pillay, who is an independent Director, will continue to serve as a member of the Remuneration Committee.

Item 4(iii)(c) – Subject to his re-appointment, Mr. S. Chandra Das, who is an independent Director, will continue to serve as chairman of the Nominating Committee and a member of the Audit Committee, the Remuneration Committee and the Executive Committee and as the Company's Deputy Chairman and Lead Independent Director.

Item 4(i)(a),(b), Item 4(ii) and Item 4(iii)(a),(b),(c) – Please refer to "Profile of the Board of Directors and Management" section and the "Board Independence" section in the Report on Corporate Governance in the Annual Report 2014 for more information on the Directors seeking re-election/re-appointment at the Annual General Meeting.

Item 6 – The Ordinary Resolution, if passed, will authorise the Directors from the date of this Annual General Meeting up to the next Annual General Meeting, to issue shares in the Company and to make or grant instruments (such as warrants or debentures) convertible into shares, and to issue shares in pursuance of such instruments, for such purposes as they consider would be in the interests of the Company, up to a number not exceeding 50 per cent. of the issued shares excluding treasury shares, of which up to 20 per cent. may be issued other than on a *pro rata* basis to shareholders. The aggregate number of shares which may be issued shall be calculated based on the total number of issued shares excluding treasury shares in the capital of the Company at the time that the Ordinary Resolution is passed, after adjusting for the conversion or exercise of any convertible securities and share options or vesting of share awards that have been issued or granted (provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual) and which are outstanding or subsisting at the time that the Ordinary Resolution is passed, and any subsequent bonus issue, consolidation or subdivision of shares.

Item 7 – The Ordinary Resolution, if passed, will empower the Directors to exercise the power of the Company to purchase or acquire its issued ordinary shares, until the date of the next Annual General Meeting. The Company intends to use internal sources of funds, external borrowings, or a combination of internal resources and external borrowings, to finance purchases or acquisitions of its shares. The amount of financing required for the Company to purchase or acquire its shares, and the impact on the Company's financial position, cannot be ascertained as at the date of this Notice as these will depend on, *inter alia*, whether the shares are purchased or acquired out of capital and/or profits of the Company, the aggregate number of shares purchased or acquired, and the consideration paid at the relevant time. Purely for illustrative purposes only, the financial effects of an assumed purchase or acquisition by the Company of 57,465,943 shares on 11 March 2015 representing approximately 10% of the issued shares (excluding treasury shares) as at that date, at a purchase price equivalent to the Maximum Price per share, in the case of a market purchase and an off-market purchase respectively, based on the audited financial statements of the Group and the Company for the financial year ended 31 December 2014 and certain assumptions, are set out in Paragraph 2.7 of the Company's letter to shareholders dated 7 April 2015.

Item 8 – The Ordinary Resolution, if passed, will empower the Directors to grant options and/or awards under the YHS Share Incentive Plan, and to allot and issue shares pursuant to the exercise of options and/or the vesting of awards granted pursuant to this Plan provided that the aggregate number of new shares to be issued pursuant to this Plan does not exceed 10% of the total number of issued shares excluding treasury shares in the capital of the Company from time to time.

Item 9 – The Ordinary Resolution, if passed, will authorise the Directors to issue shares in the Company pursuant to the Yeo Hiap Seng Limited Scrip Dividend Scheme to participating shareholders who, in respect of a qualifying dividend, have elected to receive scrip in lieu of the cash amount of that qualifying dividend.

Yeo Hiap Seng Limited will provide a complimentary shuttle bus service from Sembawang MRT Station for shareholders attending its 59th Annual General Meeting (AGM) on Friday, 24 April 2015.

The shuttle bus will be parked at the bus stop of Sembawang MRT Station. Please look out for this sign "YHS AGM" on the bus. The pick-up times will be at 3.00 p.m. and 3.30 p.m. Return trips will be from 5.15 p.m. to 5.30 p.m. after the AGM.

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PROXY FORM
ANNUAL GENERAL MEETING

YEO HIAP SENG LIMITED

(Registration No: 195500138Z)
(Incorporated in Singapore)

IMPORTANT
CPF Investors:
1. For investors who have used their CPF monies to buy Yeo Hiap Seng Limited shares, the Annual Report is forwarded to them at the request of the CPF Approved Nominees and is sent solely **FOR INFORMATION ONLY**.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to attend the Meeting as an observer must submit their requests through their CPF Approved Nominees within the time frame specified. If they also wish to vote, they must submit their voting instructions to the CPF Approved Nominees within the time frame specified to enable them to vote on their behalf.

Personal Data Privacy:
By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 7 April 2015.

I/We (Name) ___________________________________ (NRIC/ Passport/UEN No). ____

of (Address) ____

being a member/members of Yeo Hiap Seng Limited (the "Company") hereby appoint the Chairman of the Meeting (Note 1) or:

Name	Address	NRIC/ Passport No.	Proportion of Shareholdings	
			No. of Shares	%

and/or (delete as appropriate)

Name	Address	NRIC/ Passport No.	Proportion of Shareholdings	
			No. of Shares	%

(Note 1: Please delete as applicable. If no names are inserted in the blank box(es) above, the Chairman of the Meeting will be treated as appointed.)

as my/our proxy/proxies to vote for me/us on my/our behalf at the Fifty-ninth Annual General Meeting of the Company to be held in The Auditorium, Yeo Hiap Seng Limited, 3 Senoko Way, Singapore 758057 on Friday, 24 April 2015 at 4.00 p.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions to be proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the Meeting.

No.	Resolutions	To be used on a show hands		To be used in the event of a poll	
		For (Note 2)	Against (Note 2)	No. of Votes For (Note 3)	No. of Votes Against (Note 3)
1.	Adoption of Audited Financial Statements and Reports				
2.	Payment of first and final dividend				
3.	Approval of Directors' fees				
4.	(i) (a) Re-election of Mr. Chin Yoke Choong as Director				
	(b) Re-election of Mr. Koh Boon Hwee as Director				
	(ii) Re-election of Mr. Melvin Teo Tzai Win as Director				
	(iii) (a) Re-appointment of Mr. Ngiam Tong Dow as Director				
	(b) Re-appointment of Dato' N. Sadasivan a/l N.N. Pillay as Director				
	(c) Re-appointment of Mr. S. Chandra Das as Director				
5.	Appointment of KPMG LLP as Auditors and authority for the Directors to fix their remuneration				
6.	Approval of Share Issue Mandate				
7.	Approval of Renewal of Share Purchase Mandate				
8.	Approval of Issue of Shares pursuant to the YHS Share Incentive Plan				
9.	Approval of Issue of Shares pursuant to the Yeo Hiap Seng Limited Scrip Dividend Scheme				

(Note 2: Please indicate your vote "For" or "Against" with a tick (√) within the box provided.)

(Note 3: If you wish to exercise all your votes "For" or "Against", please tick (√) within the box provided. Alternatively, please indicate the number of votes as appropriate.)

Dated this ________________ day of __________________ 2015.

____
Signature(s) of Member(s)/Common Seal

Total number of Shares held	

IMPORTANT: PLEASE READ NOTES TO PROXY FORM

Fold along this line (2)

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PERMIT NO. 09180

THE COMPANY SECRETARY
YEO HIAP SENG LIMITED
3 SENOKO WAY
SINGAPORE 758057

Fold along this line (1)

Notes:

1. A member entitled to attend and vote at the Meeting is entitled to appoint not more than two proxies to attend and vote in his stead. A proxy need not be a member of the Company.

2. Where a member appoints more than one proxy, the appointments shall be invalid unless he specifies the proportion of his holding (expressed as a percentage of the whole) to be represented by each proxy.

3. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the Meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy, to the Meeting.

4. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (as defined in Section 130A of the Companies Act, Cap. 50), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert that number of shares. If the member has shares entered against his name in the Depository Register and registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member.

5. The instrument appointing a proxy or proxies must be deposited at the Company's registered office at 3 Senoko Way, Singapore 758057 not less than 48 hours before the time set for the Meeting.

6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney.

7. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy or proxies, failing which the instrument may be treated as invalid.

General

The Company shall be entitled to reject an instrument appointing a proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument appointing a proxy or proxies if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

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