



**Refreshing  
Asian  
Goodness**

**drinkable  
gardens**

Yeo's Drinkable Garden is a collaboration between Gardens by the Bay and Yeo's, dedicated to celebrating the beauty of the Singaporean landscape.



**ANNUAL  
REPORT  
2023**



Yeo's  
CHRYSANTHEMUM  
TEA  
Original Craft

Yeo's  
WINTER MELON  
Original Craft

Yeo's  
LESS SUGAR  
CHRYSANTHEMUM  
TEA  
清爽菊花茶  
Refreshingly Cooling & Calm

Yeo's  
LESS SUGAR  
LYCHEE  
Original Craft

Yeo's™

Refresh What Matters

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# CHAIRMAN'S MESSAGE

Dear Shareholders,

On behalf of the Board of Directors (“Board”), I am pleased to present the annual report of Yeo Hiap Seng Limited (“Yeo’s”) for the financial year ended 31 December 2023 (FY2023).

Despite the headwinds of continued inflationary pressures, higher-for-longer interest rates, fluctuations in foreign exchange rates and tightening monetary conditions, we managed to improve our margins, achieved a stronger net profit and increased net cash generated from operations by \$30 million. We also continued to invest in our brand and product portfolio through a series of carefully planned marketing campaigns on our brand relaunch, including a notable partnership with Gardens by the Bay on Yeo’s Drinkable Garden.

I would like to extend my sincere appreciation to the management team for their stewardship, hard work and agility in executing strategies amidst the changing market conditions. I would also like to thank all colleagues for their tireless efforts and dedication, and our partners for their steadfast support.

## Financial Overview

Group revenue decreased by 7.1% to \$332.7 million, mainly due to the movements in foreign exchange rates, which more than offset sales growth in Malaysia and Indonesia. Excluding the effect of movements in foreign exchange rates, Group revenue edged down by 3.2% due to subdued consumer sentiments worldwide, particularly in Cambodia and China.

Gross profit remained stable at \$108.0 million. Our cost optimisation efforts, aimed at proactively containing the impact of higher input costs and improving manufacturing efficiency, helped to mitigate the effects of inflation, resulting in a 2.5 percentage point improvement over the previous year in our gross profit margin to 32.5%.

The Group’s net profit attributable to shareholders for FY2023 was \$6.7 million, representing an increase of 180% over the previous year.

We strengthened our balance sheet and maintained a debt-free position as at 31 December 2023. While interest rate was raised and liquidity conditions tightened during the year, our efforts to improve working capital management resulted in net cash generated from operating activities of \$30.0 million, the highest since

2017. Additionally, our yield optimisation efforts helped improve overall profitability with an increase in interest income by 194%.

The Group ended the year with holdings of cash and other liquid financial assets amounting to \$240.1 million, representing an increase of \$25.0 million over the previous year. The Group’s robust financial position will help us to weather economic uncertainties while continuing to invest in our brand, product portfolio and operations.

The Board is pleased to declare a final dividend of \$0.02 per share with a scrip dividend option for approval at our forthcoming annual general meeting.

## Strengthening Our Core

As the pioneer of authentic Asian drinks, we are dedicated to preserving our heritage drinks and the authenticity of Asian ingredients. Through the launch of Yeo’s vibrant new packaging designs, we pay homage to the wholesomeness of quality Asian ingredients inherent in each meticulously crafted drink. Striking a good balance between tradition and innovation, these new designs invite users to rediscover our brand, and appeal to health-conscious consumers, who are looking for healthier refreshments that are also delicious. The relaunch has garnered positive feedback from both media and consumers.



New packaging designs celebrating authentic Asian crafted drinks

## Yeo's Drinkable Garden

The highlight of the brand relaunch was Yeo's Drinkable Garden – an immersive installation inspired by the brand's signature and most distinguishable drink – Yeo's Chrysanthemum Tea. In collaboration with Gardens by the Bay, Singapore's premier horticultural destination, we launched a month-long exhibit to pay homage to the essential ingredient of chrysanthemum and celebrate the exceptional cooling and calming properties in Yeo's Chrysanthemum Tea. Additionally, we staged pop-ups at TCM clinic Oriental Remedies to promote the core values of our signature drink – chrysanthemum tea crafted with aroma and flavour, brewed in its purest form with no compromise on taste – a true celebration of the best of our heritage combined with creativity and innovation.

## Awards and Recognition

At the 2023 FMCG Asia Awards organised by Retail Asia, Yeo's Drinkable Garden was awarded the Campaign of the Year – Singapore, highlighting the company's commitment to innovation and brand-building.

Yeo's Singapore was recognised as one of HR Asia's Best Companies to Work For in Asia for 2023. In its ninth year, the prestigious HR Asia Best Companies to Work for in Asia – Singapore 2023 awards has acknowledged 41 organisations for their commitment to creating outstanding workplaces. Out of 332 companies, we are incredibly humbled to be among the pantheon of winners. Not only did we succeed as one of the category winners for "Best Company to Work For in Asia", we also won in two remarkable categories: Digital Transformation Award for recognising our innovative use of technology to revolutionise our human resource practices; and Most Caring Company Award for our care and support for our employees, especially during challenging times.

Yeo's Cambodia also achieved being Certified™ as a Great Place to Work® in 2023. This accomplishment not only reflects the dedication and efforts of the team, but also highlights the positive impact our clients, partners and families have towards the organisation.

Yeo Hiap Seng Limited was presented with the Bronze award in the Best Investor Relations Award in the Mid-Cap category at the Singapore Corporate Awards 2023 in recognition of its efforts to uphold corporate governance and transparency.



Immersive Drinkable Garden collaboration at Gardens by the Bay

## Community Engagement

Over the past year, we have focused on extending community outreach and sampling initiatives. Across all markets, we invited the public to rediscover their favourite Yeo's beverages. These engagements have not only enabled us to convey our commitment to authenticity but have also provided invaluable insights into the evolving tastes and preferences of our discerning consumers.

In Singapore, we participated in Sentosa's Food Truck Fiesta, offering refreshments alongside aspiring chefs and live music. Our heritage push-carts were a highlight at the Mid-Autumn Festival celebrations at Gardens by the Bay, where visitors enjoyed our beverages vis-a-vis beautiful lantern displays. We also made our presence felt at community events like POSB Kid's Run, where we set up interactive games and shared our beverages.

In Malaysia, we strategically placed pop-ups at popular malls such as Sungei Wang, Sunway Pyramid, and the Starhill. Leveraging our tailored Yeo's vibrant 20-foot truck, we maximised brand visibility and engaged in direct interactions with consumers, creating a memorable and immersive product sampling experience.



Yeo's bringing heritage drinks to Sentosa's Food Truck Extravaganza



Yeo's Malaysia connecting with consumers with new vibrant packaging

In Cambodia, we engaged students through interactive booths and product edutainment at institutions such as Phnom Penh International University, National University of Management (NUM) and the Institute of Technology of Cambodia. We also conducted sampling activations at high-traffic heartland hubs such as inter-city bus terminals and wet markets.



Yeo's Green Tea with Aloe Vera hits Cambodian campuses

In China, we have extended efforts to sampling events in shopping malls, restaurants as well as the food catering channel, ensuring a comprehensive strategy to connect with our diverse consumer base.



Yeo's sampling across China's malls and restaurants

These initiatives underscore our commitment to engaging with communities and understanding the preferences of our consumers, contributing to the continued development and growth of Yeo's in the global market.

## Partnerships and Collaborations

Our partnerships have played a pivotal role in our ongoing development, and we express our heartfelt gratitude to all our collaborators and partners in 2023. One notable partnership is with Maximilian Maeder, World Champion and 3-time World Youth Champion for Formula Kite, aimed at inspiring youth in Singapore and Asia. We shall continue to work with Maximilian and the Singapore Sailing Federation to support growth of the sport to the highest possible level.



Maximilian Maeder, World Kitefoiling Champion, poised to make a splash representing Singapore at the Paris Olympics 2024



Yeo's launches refreshing new packaging designs in Malaysia and Singapore

In collaboration with the FairPrice Group Singapore, we celebrated the supermarket's 50th anniversary by launching special-edition Snow Chrysanthemum Tea and Lychee with Aloe Vera bits. These limited editions feature cheerful retro designs that pay tribute to the traditional drinks.



Yeo's celebrating FairPrice supermarket's Golden Jubilee with special edition heritage drinks

In UK, we are delighted to work with Chef Dan Lee, the 2021 MasterChef Professional winner, on exclusive recipes featuring Yeo's Satay Sauce, Hot Bean Sauce, Laksa Paste and Chilli Sauce with Garlic. Chef Dan Lee's culinary prowess adds a delightful fusion of flavours to our heritage-inspired products, elevating the culinary experience for our discerning customers.



Yeo's UK's partnership with Chef Dan Lee, 2021 MasterChef Professional winner, crafting exclusive recipes

In New York, USA, we partnered with Urban Hawker, a Singapore-style food court near Midtown Manhattan, for a summer promotion featuring our best-selling drinks.



Yeo's summer promotion at Urban Hawker New York



## New Product Launches

In our commitment to catering to the evolving preferences of our consumers, we are delighted to launch new beverage products across key markets. In Singapore and Malaysia, we have unveiled two new offerings, namely Brown Sugar Soy Milk and First Harvest Green Tea. First Harvest Green Tea enjoyed a well-received launch in Q4 2023, and it continues to deliver good sales result. Similarly, in Cambodia, we have introduced Green Tea with Aloe Vera bits and Soy Immuniti.



Yeo's First Harvest Green Tea launches in Singapore and Malaysia



Yeo's Green Tea with Aloe Vera debuts in Cambodia

## Serving Our Communities

At Yeo's, we hold the belief that it is our responsibility and privilege to serve the communities we operate in. Last year, we donated food and beverage products to government agencies, charitable organisations and disaster-stricken communities.

In Malaysia, Yeo's was the main sponsor for National Museum of Malaysia's 60th anniversary celebrations. Yeo's Malaysia and the Ng Teng Fong Charitable Foundation also responded to the Johor Queen's Charity Foundation drive by donating RM300,000 to help flood victims in the State of Johor.



Yeo's, the main sponsor for the 60th anniversary celebrations of the National Museum of Malaysia

In Cambodia, our partnership with the Cambodian Children's Fund (CCF) began last year with the construction of the new kindergarten. In 2023, we continued our support by donating 200 cartons of soy milk through the "Morning Healthy Meal" programme, which supports CCF students and the community.



Yeo's supports Cambodian Children's Fund, ensuring daily morning healthy meals for brighter futures

In Indonesia, Yeo's partnered with Alfamart, the country's premier minimarket chain, to contribute towards veterans in Jakarta and its surrounding areas. On 24 August 2023, we commemorated the occasion with 150 veterans from Jakarta, Bogor, Tangerang, and Depok, expressing our gratitude through cash donations to their foundation.

In USA, Yeo's joined organisations in local Thanksgiving food drives to provide nutritious beverages and care packages for communities in need.

## Protecting and Investing in Our People

Our journey this year has been marked by a profound commitment to the professional growth and development of our people.

One of our highlights of the past year is the implementation of the HRIS platform SAP Success Factors across our operating markets. This has improved our HR system, streamlining processes and enabling us to better support our employees on their professional journeys.

Furthermore, our strides in learning digitisation, particularly the advancements made on our Learning Management System (LMS) platform, demonstrates our dedication to continuous learning and development. These efforts underscore our commitment to equipping our workforce with the latest tools and knowledge essential for navigating an ever-evolving industry landscape.

Our relentless focus on training remains unwavering with the recent establishment of our Sales Academy. This initiative is pivotal in honing the skills of our sales force, ensuring they remain at the forefront of industry trends and proven customer practices.

In line with our commitment to fostering a culture of execution excellence, we introduced Yeo's Core Habit. This foundational culture aims to elevate our standards, fostering a work environment where executional excellence is a core discipline.



Core Habit Workshop in Malaysia

Looking ahead, our dedication to our people remains resolute. Their passion and commitment are the driving force behind our success, and we will continue investing in initiatives that empower, inspire and cultivate a thriving workforce.

## Sustainability at the Forefront

We integrate our sustainability vision into every aspect of our business and operational strategy, guided by our core values. Our continuous pursuit of improvement is aimed at minimising our environmental footprint, driving innovation to provide consumers with healthier and higher-quality choices, and actively contributing to local communities.

**Environment:** Recognising climate change as the defining challenge of our era, Yeo's has embarked on a comprehensive plan to reduce environmental impact from operations. In 2023, through installation of solar panels at our Singapore and Guangzhou plants, we managed to reduce carbon footprint by 860 tonnes.



Yeo's China Guangzhou Plant adopts Retort Low Energy Suction System (L.E.S.S.) to lower water consumption



Solar Photovoltaic Panels in Singapore Senoko Plant

**Health & Well-being:** Through ongoing recipe reformulation, we strive to reduce sugar content and enhance nutritional value while preserving the exceptional taste of our products. In 2023, all our beverage products sold in Singapore met the target of <5% sugar content.

**Social & Economic Impact:** Yeo's actively serves the communities to make a positive impact. In 2023, our employees volunteered 1,000 hours, supporting disadvantaged groups and enhancing educational opportunities.

## Outlook

While the world is recovering from the COVID-19 pandemic, we continue to respond to the far-reaching impact on the way we live, work and shop brought about by the pandemic. In addition, geopolitical tensions around the world continue to cast uncertainties on global economic recovery.

Despite these external challenges, we will continue to seek opportunities for growth through meaningful consumer innovations and effective marketing campaigns. We will strengthen our distribution, enhance in-store visibility and build partnerships with F&B establishments. We have ongoing initiatives in the pipeline.

We believe that with our product and marketing strategies focused on refreshing and nourishing consumers, strong operational discipline that keeps costs down, and a robust balance sheet, Yeo's is well positioned to build on a positive momentum for future growth.

## Acknowledgement and Appreciation

On behalf of the Board, I would like to extend a warm welcome to Mr Na Wu Beng as our Deputy Chairman, an Independent & Non-Executive Director, and Mr Edward Averrill Ng Yong Sheng as alternate director to Mr Jonathan James Yong Ze Ng, a Non-Independent & Non-Executive Director. I am confident their wealth of industry experience and knowledge will add depth and diversity to the Board.

I would like to extend my appreciation to Mr Jonathan James Yong Ze Ng for his contributions to the Group since 2020. Mr Jonathan Ng was the member of the Audit & Risk Committee from 25 September 2020 to 15 June 2023. Mr Jonathan Ng will retire by rotation pursuant to our Constitution at the forthcoming Annual General Meeting (2024 AGM) and will not offer himself for re-election at the 2024 AGM. He will cease as Director upon the conclusion of the 2024 AGM.

I would like to extend heartfelt gratitude to my fellow Board members for their wise counsel and contributions throughout the year. Last but not least, I would like to extend sincere appreciation to our management and employees for their dedication and hard work, and to our customers, suppliers, business associates and shareholders for their unwavering support.

Daryl Ng  
Chairman



New



# Supercharge Your Mornings



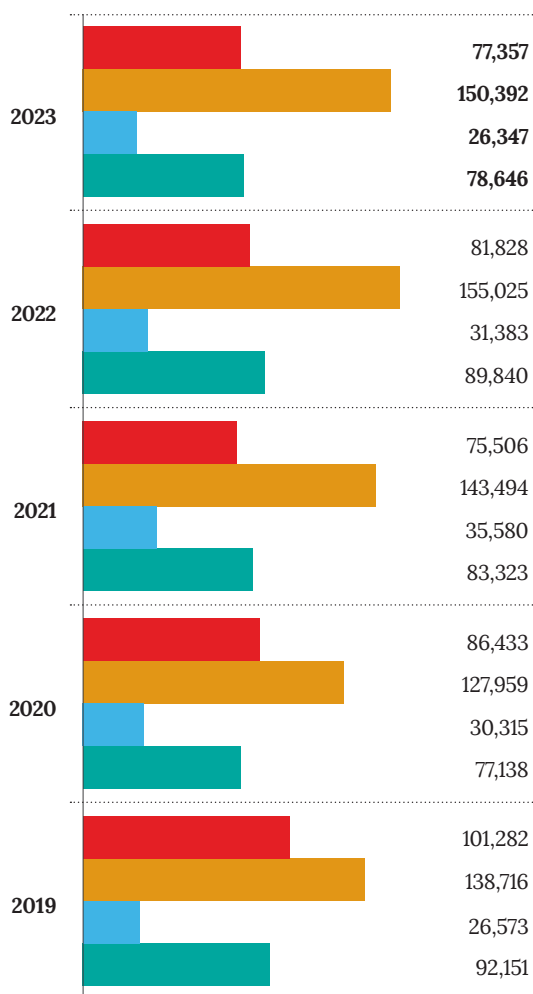
Refresh What Matters

# FINANCIAL HIGHLIGHTS

## Five-Years Statistical Record Of The Group

\$'000	2019	2020	2021	2022	2023
<b>Revenue By Geographical Segments</b>					
Singapore	101,282	86,433	75,506	81,828	77,357
Malaysia	138,716	127,959	143,494	155,025	150,392
China	26,573	30,315	35,580	31,383	26,347
Other countries	92,151	77,138	83,323	89,840	78,646
<b>TOTAL GROUP REVENUE</b>	<b>358,722</b>	<b>321,845</b>	<b>337,903</b>	<b>358,076</b>	<b>332,742</b>
Net profit/(loss) after tax	17,690	(10,032)	(2,913)	2,388	6,707
Net tangible assets	610,451	583,189	578,882	567,000	552,778

### Revenue By Geographical Segments

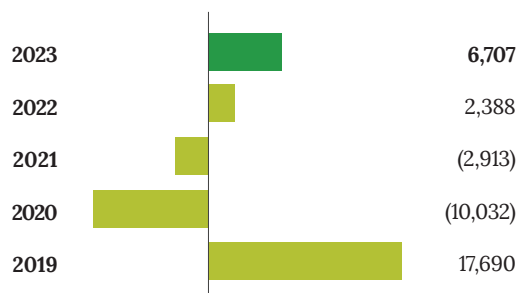


■ Singapore    ■ Malaysia  
■ China        ■ Other Countries

### Group Revenue



### Net Profit/(Loss) After Tax



### Net Tangible Assets



# CORPORATE INFORMATION

## Board Of Directors

**Mr Ng Win Kong Daryl** *Chairman*

*Non-Independent & Non-Executive Director*

**Mr Na Wu Beng** *Deputy Chairman*

*Independent & Non-Executive Director*

**Mr Ong Kay Eng**

*Lead Independent Director*

*Independent & Non-Executive Director*

**Ms Luo Dan**

*Independent & Non-Executive Director*

**Ms Goi Lang Ling Laureen**

*Independent & Non-Executive Director*

**Dr Lim Su Lin**

*Independent & Non-Executive Director*

**Mr Mohamad Halim Bin Merican**

*Independent & Non-Executive Director*

**Mr Jonathan James Yong Ze Ng**

*Non-Independent & Non-Executive Director*

**Mr Leung Yu Hin Eugene**

*Non-Independent & Non-Executive Director*

**Mr Edward Averrill Ng Yong Sheng**

**(appointed on 1 March 2024)**

*Non-Independent & Non-Executive Director*

**(ceased as Alternate Director to Mr Jonathan James Yong Ze Ng on 29 February 2024)**

## Company Secretary

**Ms Nor Hafiza Alwi**

## Audit & Risk Committee

**Mr Ong Kay Eng** *Chairman*

**Ms Goi Lang Ling Laureen** *Member*

**Mr Mohamad Halim Bin Merican** *Member*

**Mr Leung Yu Hin Eugene** *Member*

**Ms Luo Dan** *Member*

## Nominating Committee

**Mr Ong Kay Eng** *Chairman*

**Mr Na Wu Beng** *Member*

**Dr Lim Su Lin** *Member*

**Mr Leung Yu Hin Eugene** *Member*

## Remuneration Committee

**Ms Luo Dan** *Chairperson*

**Mr Na Wu Beng** *Member*

**Ms Goi Lang Ling Laureen** *Member*

**Mr Leung Yu Hin Eugene** *Member*

## Registered Office

3 Senoko Way

Singapore 758057

Tel : (65) 6752 2122

Fax : (65) 6752 3122

Website : [www.yeos.com.sg](http://www.yeos.com.sg)

## Share Registrar

**B.A.C.S. Private Limited**

77 Robinson Road

#06-03 Robinson 77

Singapore 068896

Tel: (65) 6593 4848

## Independent Auditors

**KPMG LLP**

12 Marina View

#15-01 Asia Square Tower 2

Singapore 018961

Partner-In-Charge: **Mr Tan Khai Boon**

Year Appointed: 2023

# PROFILE OF THE BOARD OF DIRECTORS

## NG WIN KONG DARYL

Chairman, Non-Independent & Non-Executive Director

### Age<sup>1</sup>

45

### Designation

- Chairman
- Non-Independent & Non-Executive Director

### Date of first appointment as a Director

13 June 2018

### Date of appointment as Chairman

1 January 2020

### Date of last re-election as a Director

28 April 2023

### Length of service as a Director<sup>2</sup>

(as at 31 December 2023)

5 years 6 months

### Board Committee(s) served on

Nil

### Relationship (including familial) with fellow Board members, the Company and/or its substantial shareholders or any of its principal subsidiaries

Mr Daryl Ng is the son of Mr Robert Ng Chee Siong and nephew of Mr Philip Ng Chee Tat, beneficiaries of the Estate of the late Mr Ng Teng Fong, a substantial shareholder of Yeo Hiap Seng Limited (“YHS”). Mr Daryl Ng is also the grandson of Mdm Tan Kim Choo who is a substantial shareholder of YHS and the spouse of the late Mr Ng Teng Fong.

Mr Daryl Ng is the cousin of Mr Edward Averill Ng Yong Sheng, who was appointed a Non-Independent & Non-Executive Director of YHS with effect from 1 March 2024.

Mr Daryl Ng is also the cousin of Mr Jonathan James Yong Ze Ng (“Mr Jonathan Ng”), a Non-Independent and Non-Executive Director of YHS. Mr Jonathan Ng will retire by rotation at the upcoming Annual General Meeting of YHS on 26 April 2024 (“2024 AGM”) and has

signified that he is not offering himself for re-election as a Director of YHS at the 2024 AGM. Mr Jonathan Ng will cease as Director of YHS at the conclusion of the 2024 AGM.

### Present directorships in other listed companies

- Deputy Chairman of Sino Land Company Limited (HKSE: 0083), Tsim Sha Tsui Properties Limited (HKSE: 0247) and Sino Hotels (Holdings) Limited (HKSE: 1221);
- Non-Executive Director of The Bank of East Asia, Limited (HKSE: 0023)

### Principal commitments (other than directorships in other listed companies)

- Member of the Global Leadership Council of Columbia University in the City of New York
- Member of the Standing Committee of the 14<sup>th</sup> Beijing Municipal Committee of Chinese People’s Political Consultative Conference (CPPCC)
- Member of the 12<sup>th</sup> and 13<sup>th</sup> Beijing Municipal Committees of the CPPCC
- Member of the 10<sup>th</sup> and 11<sup>th</sup> Committees of the All-China Youth Federation
- President of the Hong Kong United Youth Association
- Member of the Board of Directors of Financial Services Development Council Hong Kong Academy for Wealth Legacy
- Member of the Council for Carbon Neutrality and Sustainable Development
- Member of the Advisory Council on the Environment
- Member of the Culture Commission
- Chairman of the Greater Bay Area Homeland Youth Community Foundation
- Chairman of the Hong Kong-ASEAN Foundation
- Chairman of the Hong Kong Innovation Foundation
- Chairman of the Hong Kong Community Foundation
- Deputy Chairman of the Chongqing Youth Federation
- Member of the Board of Directors of the Hong Kong Palace Museum
- Member of the Board of Hong Kong Science and Technology Parks Corporation
- Governor of the Our Hong Kong Foundation
- Council Member of the Hong Kong Chronicles Institute
- Member of the Estate Agents Authority of HKSAR
- Council Member of the Employers’ Federation of Hong Kong
- Vice Patron of The Community Chest of Hong Kong
- Member of the Council of the Hong Kong Committee for UNICEF

<sup>1</sup> Age is computed based on year of birth.

<sup>2</sup> Length of service is computed based on completed months.



- Council Member of the Hong Kong Management Association
- Member of the Council of the University of Hong Kong
- Member of the Court of the Hong Kong University of Science and Technology
- Director of the Real Estate Developers Association of Hong Kong
- Special Adviser to UNESCO Asia-Pacific Awards for Cultural Heritage Conservation
- Member of the National Heritage Board of Singapore
- Member of the NUS Medicine International Council of the Yong Loo Lin School of Medicine of the National University of Singapore
- Member of the Singapore Management University International Advisory Council

**Past directorships in other listed companies held over the preceding three years**

**(from 31 December 2020 to 30 December 2023)**

Nil

Mr Daryl Ng, having held multiple leadership positions, has two decades of experience in real estate, hotel and banking industries. He has been an Executive Director of Sino Land Company Limited, Tsim Sha Tsui Properties Limited and Sino Hotels (Holdings) Limited since April 2005, and Deputy Chairman since November 2017. He is also Director of a number of the subsidiaries and associated companies of the above-mentioned companies.

Mr Daryl Ng has established the Hong Kong-ASEAN Foundation, a not-for-profit organisation promoting and deepening ties with the ASEAN to build a community of shared future to reinforce Hong Kong's international position and support future growth. The Foundation facilitates exchanges between ASEAN and China through Hong Kong on areas encompassing arts and culture, ESG, innovation, education, and trades. Leveraging on Hong Kong's rich expertise and role as a nexus, the Foundation seeks to bring people together and co-create solutions.

Mr Daryl Ng holds a Bachelor of Arts Degree in Economics, a Master of Science Degree in Real Estate Development from Columbia University in the city of New York, an Honorary Doctorate of Humane Letters from Savannah College of Art and Design, an Honorary Doctorate *honoris causa* from the Hong Kong Metropolitan University. He is Honorary Fellow of the Hong Kong University of Science and Technology and the Hong Kong Metropolitan University.

## NA WU BENG

Deputy Chairman, Independent & Non-Executive Director

### Age<sup>1</sup>

67

### Designation

- Deputy Chairman
- Independent & Non-Executive Director

### Date of first appointment as a Director

15 June 2023

### Date of appointment as Deputy Chairman

15 June 2023

### Date of last re-election as a Director

Not Applicable

### Length of service as a Director<sup>2</sup>

(as at 31 December 2023)

6 months

### Board Committee(s) served on

- Member of Nominating Committee (with effect from 15 June 2023)
- Member of Remuneration Committee (with effect from 15 June 2023)

### Relationship (including familial) with fellow Board members, the Company and/or its substantial shareholders or any of its principal subsidiaries

Nil

### Present directorships in other listed companies

Nil

### Principal commitments (other than directorships in other listed companies)

- Director, Bank of Singapore Limited
- Commissioner, PT Bank OCBC NISP Tbk, Indonesia
- Director, OCBC Bank Limited (China) (previously known as “OCBC Wing Hang Bank (China) Limited”)

### Past directorships in other listed companies held over the preceding three years

(from 31 December 2020 to 30 December 2023)

Nil

Mr Na is a highly regarded senior banker with more than four decades of comprehensive international experiences and knowledge in financial services. Mr Na joined OCBC Bank in 1990 as the General Manager of OCBC Bank's Hong Kong branches and was appointed as Executive Vice President in 2001. In 1999, he took on the role of Head of North Asia and was responsible for the OCBC Bank's operations in Hong Kong, China, Taiwan, Korea and Japan. From 2000 to 2004, before his posting to PT Bank OCBC NISP Tbk, Indonesia, he headed OCBC Bank's international banking division overseeing branches across eight countries. He drove the corporate banking business, successfully transferring customer and product solutions from Singapore and Malaysia to Indonesia. He was appointed the Executive Director and Chief Executive of OCBC Bank (Hong Kong) Limited (previously known as “OCBC Wing Hang Bank Limited, Hong Kong”) from 2014 to May 2021 and as Advisor to its Board from July 2021 to 2022. He was a director of Hong Kong Life Insurance Co from 2015 to 2023 and Chairman of OCBC Bank Limited (China) from 2019 to 2021.

Mr Na holds a Bachelor of Arts (Economics) Honours Degree, Coventry University, United Kingdom.

<sup>1</sup> Age is computed based on year of birth.

<sup>2</sup> Length of service is computed based on completed months.

## ONG KAY ENG

*Lead Independent Director,  
Independent & Non-Executive Director*

### Age<sup>1</sup>

77

### Designation

- Lead Independent Director
- Independent & Non-Executive Director

### Date of first appointment as a Director

15 July 2022

### Date of last re-election as a Director

28 April 2023

### Length of service as a Director<sup>2</sup>

(as at 31 December 2023)

1 year 5 months

### Board Committee(s) served on

- Chairman of Audit & Risk Committee
- Chairman of Nominating Committee

### Relationship (including familial) with fellow Board members, the Company and/or its substantial shareholders or any of its principal subsidiaries

Nil

### Present directorships in other listed companies

- Independent & Non-Executive Director of:
  - Sino Land Company Limited (HKSE: 0083),
  - Tsim Sha Tsui Properties Limited (HKSE: 0247),
  - Sino Hotels (Holdings) Limited (HKSE: 1221), and
  - EnGro Corporation Limited

### Principal commitments (other than directorships in other listed companies)

Nil

### Past directorships in other listed companies held over the preceding three years

(from 31 December 2020 to 30 December 2023)

Nil

Mr Ong has been a veteran banker with more than four decades of extensive experience in banking and finance. He started his career with Mercantile Bank Ltd in London and subsequently served the Hong Kong & Shanghai Bank Corporation and UBS before becoming the General Manager and Country Head for American Express Bank Singapore branch covering South Asia for nearly 10 years. During the same period, he was on the Board of Pacific Bank Malaysia.

Mr Ong later became an advisor to E. Gutzwiller & Cie. Banquiers, Geneva, and was also the Deputy Chairman of the People Insurance Co Ltd for two years before accepting the role of the Chief Representative and Country Head in China for Monte dei Paschi di Siena S.p.A. for 16 years. He remained as the bank's advisor and consultant for 2 years after he left China in 2006. He was the Chairman of Foreign Bankers' Association in Beijing, PRC from 1999 to 2000.

<sup>1</sup> Age is computed based on year of birth.

<sup>2</sup> Length of service is computed based on completed months.

## LUO DAN

Independent & Non-Executive Director

### Age<sup>1</sup>

55

### Designation

Independent & Non-Executive Director

### Date of first appointment as a Director

1 January 2017

### Date of last re-election as a Director

29 April 2022

### Length of service as a Director<sup>2</sup>

(as at 31 December 2023)

7 years

### Board Committee(s) served on

- Chair of Remuneration Committee
- Member of Nominating Committee (from 2 June 2020 to 15 June 2023)
- Member of Audit & Risk Committee (with effect from 15 June 2023)

### Relationship (including familial) with fellow Board members, the Company and/or its substantial shareholders or any of its principal subsidiaries

Nil

### Present directorships in other listed companies

Independent Director, First Resources Limited (with effect from 1 January 2024)

### Principal commitments (other than directorships in other listed companies)

Nil

### Past directorships in other listed companies held over the preceding three years

(from 31 December 2020 to 30 December 2023)

Nil

Ms Luo Dan has been a business leader at multinational companies in the consumer goods industry and the dairy ingredients industry. She has a strong track record in driving growth of both the top line revenue/market share and the bottom-line profits including big scale restructuring, at Heinz and LEGO, where she held various leadership positions in Southeast Asia and China. Most recently, Ms Luo Dan was the Director of Active Living at Fonterra Group, leading a global business unit to develop advanced ingredients to meet consumer needs in the health & wellness space. She drove the Active Living team to develop the business unit's strategy and achieve high growth especially in China and the US.

Currently Ms Luo Dan is an Independent Director of First Resources Limited.

Ms Luo Dan holds a Bachelor of Computer Science, Software from Wuhan University, China and an MBA from IMD, Switzerland. In early 2020, she was certified by INSEAD on Corporate Governance. She is also a member of the Singapore Institute of Directors.

<sup>1</sup> Age is computed based on year of birth.

<sup>2</sup> Length of service is computed based on completed months.

## GOI LANG LING LAUREEN

*Independent & Non-Executive Director*

### Age<sup>1</sup>

52

### Designation

Independent & Non-Executive Director

### Date of first appointment as a Director

1 October 2019

### Date of last re-election as a Director

29 April 2022

### Length of service as a Director<sup>2</sup>

(as at 31 December 2023)

4 years 3 months

### Board Committee(s) served on

- Member of Audit & Risk Committee
- Member of Remuneration Committee

### Relationship (including familial) with fellow Board members, the Company and/or its substantial shareholders or any of its principal subsidiaries

Nil

### Present directorships in other listed companies

Non-Executive Director of Yamada Green Resources Limited

### Principal commitments (other than directorships in other listed companies)

- General Manager, Tee Yih Jia Food Manufacturing Pte Ltd
- EXCO, T&T Gourmet Cuisine Ltd
- EXCO, Acelink Logistic (S) Pte Ltd

### Past directorships in other listed companies held over the preceding three years

(from 31 December 2020 to 30 December 2023)

Nil

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Ms Goi is currently the General Manager of Tee Yih Jia Food Manufacturing Pte Ltd. She is a director of a number of subsidiaries and associated companies of Tee Yih Jia Food Manufacturing Pte Ltd. She has been appointed by Enterprise Singapore (ESG) as committee member of Food Standards Committee (FSC).

Ms Goi holds a Master in Business and Technology from the University of New South Wales, Australia.

<sup>1</sup> Age is computed based on year of birth.

<sup>2</sup> Length of service is computed based on completed months.

## LIM SU LIN

Independent & Non-Executive Director

### Age<sup>1</sup>

54

### Designation

Independent & Non-Executive Director

### Date of first appointment as a Director

1 May 2019

### Date of last re-election as a Director

29 April 2022

### Length of service as a Director<sup>2</sup>

(as at 31 December 2023)

4 years 8 months

### Board Committee(s) served on

Member of Nominating Committee

### Relationship (including familial) with fellow Board members, the Company and/or its substantial shareholders or any of its principal subsidiaries

Nil

### Present directorships in other listed companies

Nil

### Principal commitments (other than directorships in other listed companies)

- Chief Dietitian at the National University Hospital in Singapore
- Member, Advisory Board of VSCL Holdings Pte. Ltd.
- Advisor of Kosmode Health Pte Ltd

### Past directorships in other listed companies held over the preceding three years

(from 31 December 2020 to 30 December 2023)

Nil

Dr Lim is the Chief Dietitian, Head of Therapeutics, Allied Health & Pharmacy, National University Hospital.

Dr Lim has extensive experience as a clinical dietitian especially in chronic disease prevention and management, such as diabetes, pre-diabetes, heart disease, fatty liver and kidney disease. She conceptualized and led in multiple innovative and quality improvement projects, clinical research; and development of nutrition screening and lifestyle intervention tools and processes, including the Healthy Keto diet for weight loss. She is widely published and has been conferred many awards for her significant work and contributions, and the awards include:

- Singapore National Day Award – Commendation Medal in 2020
- QUT Outstanding Alumni – Special Excellence Award in 2016
- NUHS Commendation Award in 2023
- NUHS-Mochtar Riady Pinnacle Excellence Award in 2015
- Singapore Allied Health Award for best oral presentation at the Singapore Health and Biomedical Congress, 4-time winner from 2009 to 2013

Dr Lim graduated with a Bachelor of Science of Dietetics (Honours) and completed her Doctor of Philosophy (PhD) in Research in Clinical Nutrition at the Queensland University of Technology. She was also awarded the Outstanding Doctoral Thesis Award in 2014.

<sup>1</sup> Age is computed based on year of birth.

<sup>2</sup> Length of service is computed based on completed months.

## MOHAMAD HALIM BIN MERICAN

*Independent & Non-Executive Director*

### Age<sup>1</sup>

58

### Designation

Independent & Non-Executive Director

### Date of first appointment as a Director

30 July 2020

### Date of last re-election as a Director

29 April 2021

### Length of service as a Director<sup>2</sup>

(as at 31 December 2023)

3 years 5 months

### Board Committee(s) served on

Member of Audit & Risk Committee

### Relationship (including familial) with fellow Board members, the Company and/or its substantial shareholders or any of its principal subsidiaries

Nil

### Present directorships in other listed companies

Nil

### Principal commitments (other than directorships in other listed companies)

- CEO & Director, UniQ Hospitality Services Sdn Bhd
- Adjunct Professor, UNITAR International University Malaysia
- Member, Malaysian Association of Hotels
- Independent & Non-Executive Director, Sunshine Bread Sdn Bhd
- Director, Fairway Hospitality and Events Sdn Bhd
- Director, Genesis Opus Productions and Management Sdn Bhd

### Past directorships in other listed companies held over the preceding three years

(from 31 December 2020 to 30 December 2023)

Nil

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Mr Halim has close to four decades of experience in the hospitality industry. He is the CEO of UniQ Hospitality Services Sdn Bhd, which provides hotel consultancy services and training. He served as a Board Member of the Malaysian Association of Hotels and was Acting President for the association from 2020 to 2021. He held senior management roles in numerous international hotel brands, including Hyatt International, Pan Pacific Hotels Group, Hilton Hotels Group, Shangri-La Hotels and Wyndham Hotels Group. He also held senior management roles in several Malaysian brand group of hotels. Mr Halim also serves on the Tourism Malaysia Marketing and Strategic panel, focusing on America, Europe, Oceania and Asia Pacific.

Mr Halim graduated from the Hotel Management School Les Roche in Switzerland. He is a Certified Hotel Administrator (CHA), a certification from the American Hotel & Lodging Educational Institute (AHLEI), and is the designated facilitator and proctor of the program in Malaysia. He is also a certified trainer under the Human Resources Development Corporation which is the HR Development arm of the Ministry of Human Resources.

<sup>1</sup> Age is computed based on year of birth.

<sup>2</sup> Length of service is computed based on completed months.

## JONATHAN JAMES YONG ZE NG

*Non-Independent & Non-Executive Director*

### Age<sup>1</sup>

33

### Designation

Non-Independent & Non-Executive Director

### Date of first appointment as a Director

10 September 2020

### Date of last re-election as a Director

29 April 2021

### Length of service as a Director<sup>2</sup>

(as at 31 December 2023)

3 years 3 months

### Board Committee(s) served on

Member of Audit & Risk Committee  
(from 25 September 2020 to 15 June 2023)

### Relationship (including familial) with fellow Board members, the Company and/or its substantial shareholders or any of its principal subsidiaries

Mr Jonathan Ng is the son of Mr Ng Chee Tat Philip and nephew of Mr Ng Chee Siong, beneficiaries of the Estate of the late Ng Teng Fong, a substantial shareholder of Yeo Hiap Seng Limited ("YHS"). Mr Jonathan Ng is also the grandson of Mdm Tan Kim Choo who is a substantial shareholder of YHS and the spouse of the late Mr Ng Teng Fong.

Mr Jonathan Ng is also the brother of Mr Edward Averrill Ng Yong Sheng ("Mr Edward Ng"), who was appointed a Non-Independent & Non-Executive Director of YHS on 1 March 2024, and the cousin of Mr Ng Win Kong, Daryl, Chairman of YHS.

Mr Jonathan Ng will retire by rotation at the upcoming Annual General Meeting of YHS on 26 April 2024 ("2024 AGM") and has signified that he is not offering himself for re-election as a Director of YHS at the 2024 AGM. Mr Jonathan Ng will cease as Director of YHS at the conclusion of the 2024 AGM.

Mr Jonathan Ng is a director and Chief Executive Officer of (i) Far East Organization Pte. Ltd., and (ii) Far East Spring Pte. Ltd., both substantial shareholders of YHS. He is also the Chief Executive Officer of the other two substantial shareholders of YHS, (i) Glory Realty Co. Private Ltd., and (ii) Transurban Properties Pte. Ltd.

### Present directorships in other listed companies

Nil

### Principal commitments (other than directorships in other listed companies)

Chief Executive Officer of Far East Organization  
(with effect from 1 January 2024)

### Past directorships in other listed companies held over the preceding three years

(from 31 December 2020 to 30 December 2023)

Nil

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Mr Jonathan Ng currently holds the position of Chief Executive Officer at Far East Organization (FEO). Having joined FEO in 2015, he had previously held various leadership roles, culminating in his appointment as Chief Executive Officer in 2024.

Mr Jonathan Ng also sits on the boards of Precious Treasure Pte Ltd, Precious Quay Pte Ltd and Martin Heritage Management Pty Ltd (ATF Far East Martin Trust), which own The Fullerton Hotel Singapore, The Fullerton Bay Hotel and The Fullerton Hotel Sydney respectively. He is also a director of the board of Kallang Alive Sport Management Co Pte Ltd.

Mr Jonathan Ng graduated with a Bachelor of Arts in Economics from Stanford University, United States of America.

<sup>1</sup> Age is computed based on year of birth.

<sup>2</sup> Length of service is computed based on completed months.



## LEUNG YU HIN EUGENE

*Non-Independent & Non-Executive Director*

### Age<sup>1</sup>

46

### Designation

Non-Independent & Non-Executive Director

### Date of first appointment as a Director

11 November 2022

### Date of last re-election as a Director

28 April 2023

### Length of service as a Director<sup>2</sup>

(as at 31 December 2023)

1 year 1 month

### Board Committee(s) served on

- Member of Audit & Risk Committee (with effect from 1 January 2023)
- Member of Nominating Committee (with effect from 1 January 2023)
- Member of Remuneration Committee (with effect from 1 January 2023)

### Relationship (including familial) with fellow Board members, the Company and/or its substantial shareholders or any of its principal subsidiaries

Mr Leung is employed as the Head of Watten Investments, which is a family office entity owned by the Ng Family.

### Present directorships in other listed companies

Nil

### Principal commitments (other than directorships in other listed companies)

- Director of Hong Kong United Youth Association
- Special Invited Council Member of Greater Bay Area Homeland Youth Community Foundation

### Past directorships in other listed companies held over the preceding three years

(from 31 December 2020 to 30 December 2023)

Nil

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Mr Leung is currently the Head of Watten Investments, which is a family office entity owned by the Ng Family. He has over fifteen years of solid banking experience as an investment banker at UBS in London, JP Morgan, Credit Suisse and Morgan Stanley.

Mr Leung holds a Bachelor of Science degree in Computer and Accounting, in addition to a Master of Science degree in Investment Management from CASS Business School, London, and he is a Fellow Certified Practising Accountant of CPA Australia.

<sup>1</sup> Age is computed based on year of birth.

<sup>2</sup> Length of service is computed based on completed months.

## EDWARD AVERRILL NG YONG SHENG

Non-Independent & Non-Executive Director

### Age<sup>1</sup>

32

### Designation

Non-Independent & Non-Executive Director

### Date of first appointment as a Director

1 March 2024

### Date of last re-election as a Director

Not Applicable

### Length of service as a Director<sup>2</sup>

(as at 31 December 2023)

Not Applicable

### Board Committee(s) served on

Nil

### Relationship (including familial) with fellow Board members, the Company and/or its substantial shareholders or any of its principal subsidiaries

Mr Edward Ng is the son of Mr Ng Chee Tat Philip and nephew of Mr Ng Chee Siong, beneficiaries of the Estate of the late Ng Teng Fong, a substantial shareholder of Yeo Hiap Seng Limited ("YHS"). Mr Edward Ng is also the grandson of Mdm Tan Kim Choo who is a substantial shareholder of YHS and the spouse of the late Mr Ng Teng Fong.

Mr Edward Ng is also the brother of Mr Jonathan James Yong Ze Ng ("Mr Jonathan Ng"), a Non-Independent and Non-Executive Director of YHS and the cousin of Mr Ng Win Kong, Daryl, Chairman of YHS. Mr Jonathan Ng will retire by rotation at the upcoming Annual General Meeting of YHS on 26 April 2024 ("2024 AGM") and has signified that he is not offering himself for re-election as a Director of YHS at the 2024 AGM. Mr Jonathan Ng will cease as Director of YHS at the conclusion of the 2024 AGM.

Mr Edward Ng served as Alternate Director to Mr Jonathan Ng up to 29 February 2024 and was appointed as a Director of YHS with effect from 1 March 2024.

Mr Edward Ng is a Director of Glory Realty Co. Private Ltd, Transurban Properties Pte. Ltd. and Far East Spring Pte. Ltd., substantial shareholders of YHS.

### Present directorships in other listed companies

Nil

### Principal commitments (other than directorships in other listed companies)

Executive Director (Projects & Operations, Property Services Division), Far East Organization

### Past directorships in other listed companies held over the preceding three years

(from 31 December 2020 to 30 December 2023)

Barramundi Group Ltd (listed on the Euronext Growth Oslo, Norway)<sup>3</sup>

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Mr Edward Ng holds the position of Executive Director at Far East Organization ("FEO"), where he provides strategic leadership to the Central Engineering and Development Projects departments. His responsibilities include overseeing the conceptualization of new developments and enhancing the performance of existing assets across FEO's real estate portfolio.

Mr Edward Ng is the Chairperson of FEO's Australia Properties Executive Committee and a director of various unlisted companies within FEO Group of Companies. He was a Director of Barramundi Group Ltd, a company listed on Euronext Growth Oslo in Norway, for the period from March 2018 to February 2024.

Mr Edward Ng holds a Bachelor of Science in Civil Engineering (Architectural Design) from Stanford University, United States of America.

<sup>1</sup> Age is computed based on year of birth.

<sup>2</sup> Length of service is computed based on completed months.

<sup>3</sup> Resigned as director on 20 February 2024.

## PROFILE OF MANAGEMENT

### ONG YUH HWANG

*Chief Executive Officer*

Mr Ong Yuh Hwang holds the position of Chief Executive Officer (“CEO”) of Yeo’s since 1 January 2023 having joined Yeo’s as Chief Operating Officer on 5 September 2022.

Mr Ong is an experienced business leader who has held international executive roles in brand management, sales, market strategy, business development, supply chain and start-up operations, both in the consumer goods and chemical industries. Before joining Yeo’s, he served as CEO of Suntory Garuda Beverage Indonesia from July 2020 to August 2022.

From 1996 to 2020, he worked at Procter & Gamble Co., and took on various appointments including Vice President (Sales & Operations) at Procter & Gamble Philippines Inc. and CEO for Malaysia, Singapore, Brunei and Pacific Islands.

During his tenure at Procter & Gamble, Mr Ong led the turnaround and accelerated growth across various markets and businesses by driving organisational transformation which included route-to-market re-invention, brand building and supply network re-design.

Mr Ong holds a Master of Business Administration (Hons) from the University of Chicago Booth School of Business, and a Bachelor of Electrical Engineering (Hons) from National University of Singapore.

### HENG HEE CHOO

*Chief Financial Officer*

Ms Heng Hee Choo was appointed Chief Financial Officer on 9 December 2022. She is responsible for the Group’s finance, legal and corporate secretarial, and group risk management functions. Ms Heng joined Yeo’s in July 2020 as the Head of Group Internal Audit and Risk Management and was appointed Deputy Chief Financial Officer in June 2022.

Before joining Yeo’s, Ms Heng was the Deputy Head, Group Audit and Risk Management at Jardine Matheson Holdings Limited from January 2019. Prior to that, Ms Heng also held various internal audit and finance positions with Haier Group, Noble Group and Philips Electronics.

Ms Heng holds a Master of Business Administration from the New York University Stern School of Business and a Bachelor of Accountancy from the Nanyang Technological University. She is a Chartered Accountant (Singapore) of the Institute of Singapore Chartered Accountants.

# CORPORATE GOVERNANCE REPORT

Yeo Hiap Seng Limited (“YHS” or the “Company”) is committed to upholding a high standard of corporate governance to promote corporate transparency and enhance long-term shareholder value.

The Board of Directors (“Board”) and the management team of the Company (“Management”) believe that good corporate governance and best practices in business are essential to the sustainability of the Company and its success over the long-term.

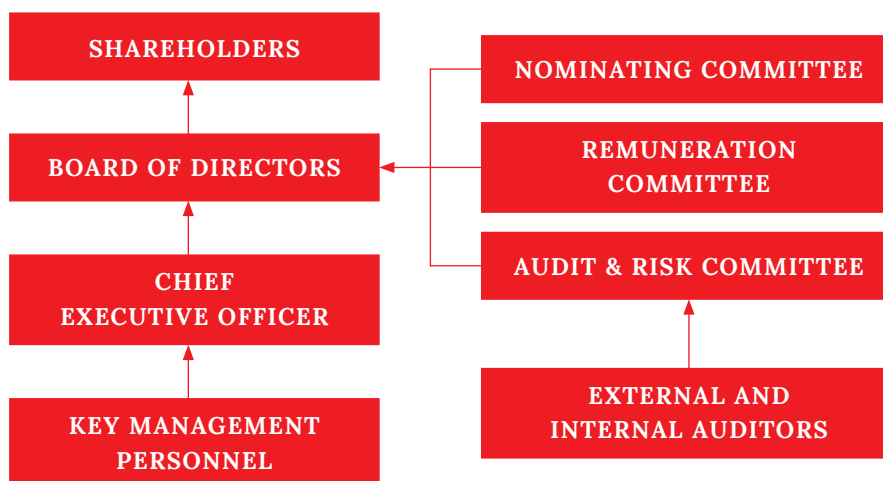
The Board and its committees have established policies and regulations on good governance, and such committees are guided by their respective terms of references (“Terms of Reference”).

## COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE 2018

This corporate governance report (“Report”) describes the corporate governance practices and activities for the Company and its subsidiaries (the “Group”) for the financial year ended 31 December 2023 (“FY2023”) with specific references to the principles of the Code of Corporate Governance 2018 (the “2018 Code”) and any deviation from any provisions of the 2018 Code is explained in this Report. The Board believes that the Group has complied with the principles under the 2018 Code and substantially all the provisions as set out thereunder, save for the following exceptions, deviation from which are explained in this Report:

- (a) Provision 11.4 – the provision in the Company’s constitution for absentia voting at general meetings of shareholders; and
- (b) Provision 11.6 – the provision of a corporate dividend policy.

## CORPORATE GOVERNANCE FRAMEWORK



## BOARD MATTERS

### The Board's Conduct of Affairs

**Principle 1** The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

### Primary functions of the Board

The Board oversees the effectiveness of Management as well as the corporate governance of the Company with the objective of maximising long-term shareholder value, protecting the Company's assets and sustaining its businesses and performance.

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

Apart from its statutory duties, the principal roles of the Board include:

- i. providing entrepreneurial leadership, setting strategic objectives, which should include appropriate focus on value creation, innovation and sustainability, and ensuring that the necessary 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 and effectiveness of internal controls (including financial, operational and compliance) and establishing and maintaining a sound risk management framework to effectively monitor and manage risks, and to achieve an appropriate balance between risks and Group performance;
- 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, the CEO and key management personnel ("KMP");

- vi. reviewing Management performance, setting values and standards, including business ethics, and ensuring that obligations to shareholders and other stakeholders are understood and met;
- vii. assuming responsibility for corporate governance and instilling an ethical culture, and ensuring that the Group's values, standards, policies and practices are consistent with its culture;
- viii. assuming responsibility for the Group's sustainability direction; and
- ix. ensuring transparency and accountability to key stakeholder groups.

### Directors' discharge of duties and responsibilities

All Directors objectively discharge their duties and responsibilities at all times as fiduciaries and take decisions in the interests of the Company. Directors facing conflicts of interest recuse themselves from discussions and decisions involving the issues of conflict.

### Delegation by the Board

The Board is accountable to shareholders while Management is accountable to the Board for its performance. To facilitate effective management, the Board has delegated certain functions which 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 in the Group.

The Board is supported by its Board committees, namely the Audit & Risk Committee ("ARC"), the Nominating Committee ("NC") and the Remuneration Committee ("RC"). The composition of these Board committees is structured to ensure an equitable distribution of responsibilities among Board members, to maximise the effectiveness of the Board and to foster active participation and contribution. Diversity of experience and appropriate skills are considered along with the need to maintain appropriate checks and balances between the different Board committees. The Board acknowledges that while these various Board committees have the authority to examine particular issues and report back to the Board with their decisions and recommendations, the ultimate responsibility on all matters still lies with the Board.

Each Board committee is guided by its own specific written Terms of Reference setting out the scope of its duties and responsibilities, procedures governing the manner in which it is to operate and how decisions are to be taken. These Terms of Reference are approved by the Board and reviewed as and when appropriate to ensure their continued relevance.

The CEO heads the team of KMP to manage the Company's business and operations group-wide. The KMP constitutes a mix of group functional heads and heads of major operating units reporting to the CEO. This matrix governance ensures that major operational and business decisions are taken with the benefit of collective wisdom and experience. The remuneration of each KMP (including the CEO) is reviewed and recommended by the RC to the Board for approval.

The attendance record of the Directors at meetings of the Board, the ARC, the NC, the RC and the AGM during the financial year under review is as follows:

	Board	ARC	NC	RC	AGM
<b>Non-Executive Directors</b>					
Ng Win Kong Daryl	4/4	-	-	-	1/1
Na Wu Beng <sup>1</sup>	2/2	-	-	1/1	-
Ong Kay Eng <sup>2</sup>	4/4	4/4	1/1	-	1/1
Sitoh Yih Pin <sup>3</sup>	1/2	-	1/1	1/1	0/1
William Peter Adamopoulos <sup>4</sup>	2/2	-	1/1	-	0/1
Goi Lang Ling Laureen	4/4	4/4	-	2/2	1/1
Lim Su Lin	4/4	-	1/1	-	1/1
Luo Dan <sup>5</sup>	4/4	2/2	1/1	2/2	1/1
Mohamad Halim Bin Merican	4/4	4/4	-	-	1/1
Jonathan James Yong Ze Ng <sup>6</sup>	4/4	2/2	-	-	1/1
Leung Yu Hin Eugene	4/4	4/4	1/1	2/2	1/1
Edward Averrill Ng Yong Sheng <sup>7</sup> (Alternate Director to Jonathan James Yong Ze Ng)	2/2	-	-	-	-

Annotations:

- <sup>1</sup> Appointed as Independent & Non-Executive Director, Deputy Chairman of the Board and a member of each of the NC and the RC on 15 June 2023.
- <sup>2</sup> Appointed as Chairman of the NC on 2 May 2023.
- <sup>3</sup> Retired as Independent & Non-Executive Director, Chairman of the NC and a member of the RC at the conclusion of the AGM held on 28 April 2023.
- <sup>4</sup> Retired as Non-Independent & Non-Executive Director and a member of the NC at the conclusion of the AGM held on 28 April 2023.
- <sup>5</sup> Appointed as a member of the ARC and relinquished her role as a member of the NC on 15 June 2023.
- <sup>6</sup> Relinquished his role as a member of the ARC on 15 June 2023.
- <sup>7</sup> Served as Alternate Director to Mr Jonathan James Yong Ze Ng from 19 May 2023 to 29 February 2024. During the financial year under review, Mr Edward Ng attended, in the capacity as an observer, all Board meetings which were held after his appointment as an alternate Director – his principal Director, Mr Jonathan Ng, also attended these Board meetings. Mr Edward Ng was appointed as a Director with effect from 1 March 2024.

### Meetings of the Board and Board committees and general meetings of shareholders, meetings attendance record 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 (4) times a year at regular intervals. Telephonic and video conferencing at Board meetings are allowed under the Constitution of the Company (“Constitution”). *Ad hoc* meetings of the Board and Board committees 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.

### **Internal guidelines on matters requiring Board approval**

The Company has in place a “**Group Delegation of Authority**” policy which sets out the matters reserved for the Board’s decision and the delegated authority to various levels of Management. This policy has been communicated to Management and is published in the Company’s intranet.

Matters requiring Board approval include annual business plan/budget, investment/divestment of real estate, other strategic investments, entry into/exit from strategic partnerships, joint ventures and mergers and acquisitions related to the core food and beverage business, investment in/divestment of capital-at-risk financial instruments (including non-strategic financial instruments and instruments for hedging purposes) exceeding S\$20 million, issuance of equity/convertible instruments and establishment of Medium Term Note or any Bond Programmes.

### **Board induction, orientation and training**

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. A newly appointed Director who has no prior experience as a director of an issuer listed on the Singapore Exchange is required to attend prescribed training and courses organised by the Singapore Institute of Directors (unless the NC is of the view that the requisite training is not necessary because such first-time Director has other relevant experience) at the Company’s expense. Where necessary, the Company will provide training for first-time Directors in areas such as accounting, legal and industry-specific knowledge.

Mr Na Wu Beng and Mr Edward Averrill Ng Yong Sheng, who joined the Board as Director and alternate Director respectively during the financial year under review, being newly appointed first-time directors, have undergone or will attend training on the roles and responsibilities of a director of a listed issuer and on sustainability matters, as prescribed by the Singapore Exchange Securities Trading Limited (“**SGX-ST**”).

Directors are routinely updated on material developments and changes in the operating environment, including revisions to accounting standards, and laws and regulations affecting the Group. The Company will fund Directors’ participation at relevant industry conferences, seminars or training programmes in connection with their duties as Directors of the Company, as appropriate. The Company Secretary will bring to the Directors’ attention information on seminars that may be of relevance to them. News updates, bulletins, circulars and other releases issued by, in particular, the SGX-ST and the Accounting and Corporate Regulatory Authority (“**ACRA**”) which are relevant to the Directors are circulated to the Board by the Company Secretary. All the Directors have attended or registered to attend (as the case may be) training on sustainability matters which was mandated by the SGX-ST with effect from 1 January 2022.

### **Formal letter to Director upon appointment**

A formal letter is provided to a new Director upon his or her appointment to the Board, setting out the duties and obligations associated with his or her directorship.

### **Board’s access to complete, adequate and timely information**

Board members are provided with management information including country performance, budgets, business plans, 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.

### **Provision of information to the Board**

Board papers and related materials are disseminated to the Board before the scheduled Board or Board committee meeting via electronic means, whereby the Directors will download the files onto their electronic devices, thereby substantially removing the need to print hard copies for deliberation at meetings. With this process, the Company steers itself towards sustaining a green and environmentally-friendly work culture.

### **Appointment and removal of Company Secretary**

The appointment and removal of the Company Secretary is a Board-reserved matter under the Constitution.

### **Company Secretary**

Board members have separate and independent access to the Company's senior management and the Company Secretary, and *vice versa*. Such access comes in the form of electronic mail, telephone and face-to-face meetings. 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 within the Board and the Board committees and between Management and Non-Executive Directors. Where queries made by the Directors are channeled through the Company Secretary, the Company Secretary ensures that such queries are answered promptly by Management.

### **Board's access to 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.

### **Board Composition and Guidance**

**Principle 2** The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

### **Board independence and number of independent Directors on the Board**

As at 31 December 2023, the Board comprised nine (9) Directors and one (1) alternate Director. Among the nine (9) Directors, six (6) were independent and three (3) were non-independent. All the Directors were Non-Executive Directors.

As at 1 March 2024, the Board comprised ten (10) Directors and no alternate Director. Among the ten (10) Directors, six (6) were independent and four (4) were non-independent. All the Directors were Non-Executive Directors.

The NC reviews the independence of the Directors annually and is satisfied that the Company has complied with the 2018 Code which provides that independent directors make up a majority of the Board where the Chairman is not independent.

A description of the background of each Director is provided in the "**Profile of the Board of Directors**" section of the Annual Report.

### **Independence of Directors**

Annually, the independent Directors submit declarations on their independence to the NC for assessment. The NC, in its deliberation of the independence of a Director, takes into consideration the relevant provisions of the SGX-ST Listing Manual ("**Listing Manual**"), the 2018 Code and where relevant, the recommendations set out in the Practice Guidance accompanying the 2018 Code ("**Practice Guidance**").

The NC takes into account the existence of relationships or circumstances, including those identified by the Listing Manual, the 2018 Code and the Practice Guidance, that are relevant in its determination as to whether a Director is independent. Such relationships or circumstances include (i) the employment of a Director by the Company or any of its related corporations during the financial year in question or in any of the previous three (3) financial years; (ii) a Director being on the Board for an aggregate period of more than nine (9) years; (iii) a Director providing to or receiving from the Company or any of its subsidiaries significant payments or material services during the financial year in question or the previous financial year, other than compensation for board service; and (iv) a Director being related to any organisation to which the Company or any of its subsidiaries, or from which the Company or any of its subsidiaries received, significant payments or material services during the financial year in question or the previous financial year.



For the financial year under review, the NC, having reviewed the independence of the relevant Directors (as part of the yearly review conducted by the NC in the case of sitting independent Directors and, in the case of a newly appointed Director who is considered independent, as part of the review process for such individual's proposed appointment as a Director), is satisfied that there are no relationships or circumstances which are likely to affect the following independent Directors' objective and independent judgement:

- i. Mr Na Wu Beng;
- ii. Mr Ong Kay Eng;
- iii. Ms Goi Lang Ling Laureen;
- iv. Dr Lim Su Lin;
- v. Ms Luo Dan; and
- vi. Mr Mohamad Halim Bin Merican.

Accordingly, the Board has, upon the NC's recommendation, affirmed that the abovenamed Directors are independent as contemplated by the Listing Manual and 2018 Code.

At the date of this Report, the Company does not have any Director who has served on the Board for more than nine years from the date of his/her first appointment.

#### **Size, composition, diversity and competencies of the Board and Board committees**

The size and composition of the Board and Board committees and the skills and core competencies of its members are reviewed annually by the NC, which seeks to ensure that the size and composition of the Board is conducive for 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 for meaningful individual participation by Directors with diverse professional perspectives, so as to facilitate efficient and effective decision-making with a strong independent element.

The current Board comprises members who as a group provide core competencies necessary to meet the Group's needs. These competencies include accounting and finance, banking, business acumen, industry knowledge and management experience.

Annually, the NC reviews the diversity of skills, qualities and experiences that the Board requires to function competently and efficiently, based on an established competency matrix of the Board and the curriculum vitae submitted by the individual Directors. As each Director brings valuable insights from various professional fields that are vital to the strategic interests of the Company, the Board considers that the Directors possess the necessary competencies to provide Management with diverse and objective perspectives on issues, so as to lead and govern the Company efficaciously.

#### **Board Diversity Policy**

The Company has a Board Diversity Policy in place that addresses diversity in terms of experience, skills, gender, age, tenure, and qualities, as well as any other relevant aspects of diversity. The Board Diversity Policy also sets out the approach which the Company takes towards diversity on its Board. The Company believes in diversity and values the benefits diversity can bring to the Board in its deliberations and the Board's effectiveness – in particular, it believes that a balance and mix of skills, experiences and individual attributes of Board members which shape the composition and promote the effectiveness of the Board as a whole and that of the Board committees, will support the Company's achievement of strategic objectives and long-term sustainable development and success.

The Board observes and applies the Board Diversity Policy to ensure that the Board will have an appropriate level of diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company. In this regard, the Board, supported by the NC, has included female candidates in its search pool for new appointments. In line with this, the following female Directors have been appointed to the Board as well as to Board committees: (i) Ms Luo Dan has served as a Board member since 1 January 2017 and was appointed as Chairperson of the RC on 1 January 2022 and a member of the NC on 2 June 2020. She was appointed a member of the ARC on 15 June 2023 and relinquished her role as a member of the NC on the same date, (ii) Dr Lim Su Lin

was appointed as a Board member on 1 May 2019 and as a member of the NC on 16 May 2019, and (iii) Ms Goi Lang Ling Laureen was appointed as a Board member and as a member of the RC on 1 October 2019, and a member of the ARC on 2 June 2020. As the incumbent Board as at 31 December 2023 comprises six (6) male Directors (excluding the male alternate Director) and three (3) female Directors, female Directors represent one-third of the Board as at 31 December 2023.

The NC and the Board review and determine the targets, plans and timelines as well as progress being made thereof towards achieving each of the Board diversity aspects on an annual basis or as and when circumstances require, taking into consideration how the combination of attributes, skills and expertise of Board members would continue to serve the current and future needs of the Company.

### Diversity Targets, Plans, Timelines and Progress

The Company's diversity targets, plans and timelines for achieving the targets and progress towards achieving the targets are set out below.

Diversity Targets, Plans and Timelines	Targets Achieved/Progress Towards Achieving Targets in FY2023
<p><b>Gender</b></p> <p>To ensure that at least 25% of the Board is made up of women by 2025, or (if applicable) to maintain such level of gender diversity during the period leading up to 2025.</p> <p>The Company believes in achieving an optimum mix of men and women on the Board, to provide different approaches and perspectives.</p>	<p><b>Achieved</b> – As at the end of FY2023, three (3) out of nine (9) Directors are female. This represents approximately 33% of the Board.</p>
<p><b>Age</b></p> <p>To ensure that the Board comprises of Directors across the following age groups:</p> <ul style="list-style-type: none"> <li>(i) below 45;</li> <li>(ii) 45 to 55; and</li> <li>(iii) 55 and above,</li> </ul> <p>by 2025 or (if applicable) to maintain such level of age diversity during the period leading up to 2025.</p> <p>The Company believes that a Board with Directors in various age groups would provide a broad spectrum of thoughts and views in Board and Board committee deliberations, ensuring the Board's decisions and/or strategies stay relevant as markets evolve.</p>	<p><b>Achieved</b> – As at the end of FY2023, the Board comprises Directors across all three (3) age groups as follows:</p> <ul style="list-style-type: none"> <li>(i) one (1) Director is below 45 years old;</li> <li>(ii) four (4) Directors are between 45 to 55 years old; and</li> <li>(iii) four (4) Directors are 55 years old and above.</li> </ul>

Diversity Targets, Plans and Timelines	Targets Achieved/Progress Towards Achieving Targets in FY2023
<p><b>Tenure</b></p> <p>To ensure that the Board comprises Directors across the following tenure groups:</p> <ul style="list-style-type: none"> <li>(i) 4 years or less; and</li> <li>(ii) more than 4 years,</li> </ul> <p>by 2025, or (if applicable) to maintain such level of tenure diversity during the period leading up to 2025.</p> <p>The Company believes that a mix of Directors with long and short tenures on the Board allows the Board to benefit from senior Directors' knowledge continuity about the Company and its business operations, complemented by the fresh perspectives that new Directors may bring.</p>	<p><b>Achieved</b> – As at the end of FY2023, the Board comprises Directors across both tenure groups.</p> <p>In particular, five (5) Directors have been on the Board for 4 years or less, and four (4) Directors have been on the Board for more than 4 years.</p>
<p><b>Skills &amp; Experience</b></p> <p>To ensure that the Directors, as a group, possess:</p> <ul style="list-style-type: none"> <li>(i) a variety of skill sets (at least five (5) Directors), including in core competencies, domain knowledge and other fields of expertise, which support the work of the Board and Board committees, and needs of the Company; and</li> <li>(ii) a mix of industry experience (at least five (5) Directors), management experience, business acumen and listed company board experience, to help shape the Company's strategic objectives, and provide effective guidance and oversight of management and the Company's operations,</li> </ul> <p>by 2025, or (if applicable) to maintain such level of diversity in skill sets and experience during the period leading up to 2025.</p>	<p><b>Achieved</b> – As at the end of FY2023, the Board comprises Directors who possess the identified core skills and experience.</p> <p>In particular, the Board comprises of Directors who have skills and domain knowledge across risk management, accounting &amp; financial management, industrial/operational management, information technology and sales &amp; marketing.</p> <p>In terms of experience, the Directors, collectively have experience in general business management, have served on public listed company boards and have international geographic experience.</p>

Diversity Targets, Plans and Timelines	Targets Achieved/Progress Towards Achieving Targets in FY2023
<p>The Company believes that a Board with diversity in:</p> <ul style="list-style-type: none"> <li>(i) skills and expertise provides core competencies and brings well-balanced resources and skills in monitoring corporate performance and providing effective oversight of the business; and</li> <li>(ii) business background and industry knowledge provides a broad range of insights, perspectives and views to drive better decision-making in supporting the attainment of strategic objectives and sustainable development.</li> </ul>	<p>In terms of industry exposure and experience, the Directors collectively have exposure and experience in the following sectors: banking &amp; finance, consumer packaged goods, healthcare, hospitality, industrial/manufacturing, public institutions and real estate &amp; property.</p>

The Board, taking into account the views of the NC, considers that the current Board composition comprises a balance and mix of skills, experiences and individual attributes which promote the effectiveness of the Board as a whole and that of its Board committees. During the financial year under review, the Board has achieved its diversity targets. In relation to skills & experience, the Directors have wide ranging backgrounds and professional experience in industries such as Banking & Finance, Consumer Packaged Goods, Industrial/Manufacturing and Real Estate & Property. In relation to gender, diversity has been maintained during the financial year under review, with three (3) female Directors on the Board. In relation to age and tenure, the ongoing Board renewal and refreshment process is phased to ensure that the Company has a group of independent Directors whose ages and tenures span across different groups.

#### Role of Non-Executive Directors

The Non-Executive Directors (including independent Directors) engaged with Management in the annual budget planning process. They also constructively challenged Management and helped to develop proposals on strategy. On a quarterly basis, the Non-Executive Directors reviewed the performance of Management in meeting agreed goals and objectives, and monitored the reporting of performance against budget, peer performance and a balanced scorecard comprising key financial and non-financial performance indicators.

#### Meeting of Directors without Chairman and Management

The Board sets aside time to meet without the presence of Management, especially where the circumstances warrant such meetings. The Board is of the view that it is not necessary to pre-arrange formal sessions of such meetings. During the financial year under review, no member of Management was also an executive Director.

The Lead Independent Director also proposes and leads meetings of the independent Directors without the presence of the Chairman and non-independent Directors, as required. The Lead Independent Director will provide feedback to the Chairman after the conclusion of such meetings.

#### Chairman and Chief Executive Officer

**Principle 3** There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

#### 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 Ng Win Kong Daryl is responsible for the workings of the Board. Mr Ong Yuh Hwang, who has served as CEO since 1 January 2023, is responsible for the overall running of the Group's businesses. This division of responsibilities between the Chairman and the CEO is set out in writing in the Board's Terms of Reference.

There is no familial relationship between the Chairman, Mr Ng Win Kong Daryl, and Mr Ong Yuh Hwang.

### **Roles and responsibilities of Chairman**

The Chairman leads the Board to ensure its 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 (if any), Non-Executive Directors and Management, ensures effective communication with shareholders and promotes a high standard of corporate governance. The Chairman, in consultation with 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 one (1) week in advance in order for Directors to be adequately prepared for the respective meetings. KMP who have prepared the papers, or who can provide additional insights into the matters to be discussed, are invited to present the papers 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.

The Board is of the view that the Company has an effective group of independent Non-Executive Directors to provide balance within the workings of the Board and oversight for minority shareholders' interests.

### **Lead Independent Director**

Taking cognisance that the Chairman of the Board is not an independent Director, the Board appointed Mr Ong Kay Eng as Lead Independent Director on 15 July 2022 to serve as a sounding board for the Chairman of the Board and also act as an intermediary between the Non-Executive Directors and the Chairman.

Shareholders with concerns may contact the Lead Independent Director 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.

### **Board Membership**

**Principle 4** The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

### **NC composition and role**

As at 31 December 2023, the NC comprised four (4) Directors, namely, Mr Ong Kay Eng (Chairman of the NC and Lead Independent Director), Dr Lim Su Lin, Mr Leung Yu Hin Eugene and Mr Na Wu Beng. Save for Mr Leung Yu Hin Eugene, the other three (3) members of the NC (including the NC Chairman), and hence a majority of the NC, are independent Directors.

During the financial year under review:

- (a) Mr Sitoh Yih Pin, who was an Independent & Non-Executive Director, ceased to be Chairman of the NC upon his retirement from the Board at the conclusion of the AGM held on 28 April 2023. Mr Ong Kay Eng, the Lead Independent Director, was appointed as Chairman of the NC on 2 May 2023 in place of Mr Sitoh Yih Pin;
- (b) Mr William Peter Adamopoulos, who was a Non-Independent & Non-Executive Director, ceased to be a member of the NC upon his retirement from the Board at the conclusion of the AGM held on 28 April 2023;
- (c) Mr Na Wu Beng, in conjunction with his appointment as an Independent & Non-Executive Director and Deputy Chairman of the Board on 15 June 2023, was appointed as a member of the NC; and
- (d) Ms Luo Dan relinquished her role as a member of the NC on 15 June 2023 in conjunction with her appointment as a member of the ARC on the same date.

The NC is guided by its written Terms of Reference which specifically sets out its authority and responsibilities. The principal roles of the NC are to review and make recommendations to the Board on relevant matters relating to:

- i. Board succession plans for Directors including the Chairman, CEO and KMP;
- ii. development of a process and objective criteria for evaluating the performance of the Board and Board committees and the contribution of each Director;
- iii. the determination of the independence of Directors at least annually, and as and when circumstances require;
- iv. training and professional development programmes for the Board and its Directors, including ensuring that new Directors are aware of their duties and obligations; and
- v. nominations of candidates for the appointment or re-appointment of members of the Board of Directors and the members of the various Board committees (including alternate Directors, if any).

During the financial year under review, the NC held one (1) meeting.

#### **Progressive renewal of the Board**

Periodic reviews of the Board composition, including the selection of candidates for new appointments to the Board, are made by the NC in consultation with the Chairman 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.

At each AGM, one third of the Directors, including the CEO if he/she 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 in accordance with the Constitution, and may stand for re-election. 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. They are not counted in the number of Directors to retire by rotation at the AGM. The NC considers the present provisions adequate and does not recommend any change.

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. All Directors are required to submit themselves for re-nomination at regular intervals and at least once every three (3) years.

#### **NC to determine Directors' independence**

The NC deliberates annually, and as and when circumstances require, to determine the independence of a Director bearing in mind the provisions as set out in the 2018 Code as well as all other relevant circumstances. No member of the NC participated in the deliberation process in respect of his own status as an independent Director.

#### **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.

The Board considers an assessment of the individual Director's contribution at meetings to be more effective than prescribing a numerical limit on the number of listed company board seats which a Director may hold. In this respect, the Board has accordingly not set a maximum number of other company directorships which a Director may concurrently hold, 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.

For the financial year under review, the NC is satisfied that all Directors on the Board have extensive management, financial, accounting, banking, 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 listed company directorships and principal commitments of each Director are provided in the “**Profile of the Board of Directors**” section of the Annual Report.

#### **Appointment of alternate Director**

During the financial year under review, Mr Edward Averbill Ng Yong Sheng was appointed as the Alternate Director to Mr Jonathan James Yong Ze Ng on 19 May 2023. During the financial year under review, Mr Edward Ng attended, in the capacity as an observer, all Board meetings which were held after his appointment as an alternate Director – his principal Director, Mr Jonathan Ng, also attended these Board meetings.

Mr Edward Ng served as Alternate Director to Mr Jonathan Ng up to 29 February 2024 and was appointed as a Director with effect from 1 March 2024.

#### **Process for the selection, appointment and re-appointment of Directors**

The NC is responsible for screening, identifying and selecting candidates for appointment as new Directors (including alternate Director(s)) after having regard to the composition and progressive renewal of the Board, and how the prospective Director will fit in the overall competency matrix of the Board.

When a need for a new Director arises either to replace a retiring Director or to enhance the Board’s competency, the NC, in consultation with the Board, shall evaluate and determine the selection criteria so as to identify candidates with the appropriate experience and expertise for the appointment as a new Director. The selection criteria include attributes such as integrity, diversity of competencies, industry knowledge and financial literacy. The NC seeks potential candidates widely and beyond Directors’/Management’s recommendations and is empowered to engage external parties, such as professional search firms, to undertake research on or assessment of candidates as it deems necessary, to ensure that a diverse slate of candidates is presented for the NC’s and the Board’s consideration.

The NC then meets with the shortlisted candidates with the appropriate profile to assess suitability and to ensure that the candidates are aware of the expectation and the level of commitment required, before nominating the most suitable candidate to the Board for approval and appointment as a new Director.

During the financial year under review, the following new Directors were appointed:

- (i) Mr Edward Averbill Ng Yong Sheng was appointed as the Alternate Director to Mr Jonathan James Yong Ze Ng on 19 May 2023; and
- (ii) Mr Na Wu Beng was appointed as Independent & Non-Executive Director and Deputy Chairman of the Board on 15 June 2023.

#### **Process for appointment of Key Management Personnel**

The proposed appointments of KMP (including the CEO) are reviewed and recommended by the NC to the Board. While reviewing and making recommendations to the Board for any proposed appointments of KMP, the NC reviews the key proficiencies and qualities required for identified positions and obtains recommendations from Management of internal and external candidates who have been shortlisted, with a view to ensuring that the selected candidate will possess the necessary proficiencies and qualities for the relevant role taking into consideration the Company’s strategy and objectives including the factors affecting the long-term success of the Company.

As and when necessary and before making any recommendations to the Board for KMP appointments, the NC holds physical meetings to interview the proposed candidates and discuss and review the proposed appointments. Otherwise and as appropriate, the NC may make recommendations to the Board by way of passing circulating resolutions in relation to such appointments.

#### **Key information on Directors**

A description of the background of each Director is provided in the “**Profile of the Board of Directors**” section of the Annual Report.

None of the Directors holding office at the end of the financial year under review held shares in the Company and/or subsidiaries of the Company.

The names of the Directors who are seeking re-election at the forthcoming AGM in April 2024 are provided in the Notice of AGM in this Annual Report. Pursuant to the requirements of the Listing Manual, additional information required under Appendix 7.4.1 of the Listing Manual for Directors seeking re-election at the forthcoming AGM are provided in the “**Profile of the Board of Directors**” and “**Supplemental Information on Directors Seeking Re-Election**” sections of the Annual Report.

## Board Performance

**Principle 5** The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

### Board evaluation process

The NC evaluates the Board and its Board committees as a whole bearing in mind that each member of the Board contributes in various ways to the success of the Company, and Board and Board committee decisions are made collectively.

To evaluate the performance of the Board as a whole and its ability to discharge its responsibilities in providing stewardship, corporate governance and oversight of Management's performance, the NC has put in place a formal Board evaluation process for this purpose.

To facilitate the evaluation process, Directors are requested to complete evaluation questionnaires annually to assess the effectiveness of the Board and its Board committees. To ensure confidentiality, the evaluation questionnaires completed by the Directors are submitted to the Company Secretary for collation and the consolidated responses are presented to the NC for review. The results of the performance evaluation are then presented first to the Chairman and subsequently to the Board for consideration. The Board will then act on the results where appropriate.

Following the evaluation for the financial year under review, the Board is of the view that the Board and its committees operate effectively and each Director has contributed to the overall effectiveness of the Board in meeting performance objectives.

### Board evaluation criteria

To assess the Board's and Board committee's performance, the NC has established a set of objective 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. This set of assessment criteria is the same as that used during the previous financial year ended 31 December 2022.

Annually, members of the Board are required to assess the Board by completing a Board Evaluation Questionnaire comprising the following objective performance criteria as recommended by the NC and approved by the Board:

- (a) Board Composition;
- (b) Board Information;
- (c) Board Process; and
- (d) Board Accountability.

The above performance criteria will be reviewed by the NC and the Board from time to time, 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.

### Evaluation of individual Directors

The NC considers factors such as each individual Director's contribution, participation in discussions and commitment of their time to their role during its deliberations on the results of the performance evaluation of the Board and its committees, and also takes these factors into consideration during the Board renewal process.

Other factors taken into consideration by the NC, when determining whether or not to recommend an existing Director for re-appointment include the value of contribution to the development of strategy, availability at Board meetings (as well as informal contribution via electronic mail and telephone), degree of preparedness, industry and business knowledge, and the experience each Director possesses which are crucial to the Group's business.

For the financial year under review, the Board is of the view that each member of the Board has performed efficiently and effectively for the Board to function collectively as a whole.



## REMUNERATION MATTERS

### Procedures for Developing Remuneration Policies

**Principle 6** The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

### RC composition and role

As at 31 December 2023, the RC comprised four (4) Directors, namely, Ms Luo Dan (Chairperson of the RC), Ms Goi Lang Ling Laureen, Mr Leung Yu Hin Eugene and Mr Na Wu Beng. Save for Mr Leung Yu Hin Eugene, the other three (3) members of the RC, and hence a majority of the RC, are independent Directors.

During the financial year under review:

- (a) Mr Sitoh Yih Pin, who was an Independent & Non-Executive Director, ceased to be a member of the RC upon his retirement from the Board at the conclusion of the AGM held on 28 April 2023; and
- (b) Mr Na Wu Beng, in conjunction with his appointment as an Independent & Non-Executive Director and Deputy Chairman of the Board on 15 June 2023, was appointed as a member of the RC.

The members of the RC are experienced and knowledgeable in the field of executive compensation having large organisations management experience. In addition, they have access to the Company's Human Resource personnel should they have any queries on human resource matters.

The RC is guided by its written Terms of Reference, which specifically sets out its authority and responsibilities. The principal roles of the RC include:

- (i) reviewing and recommending to the Board the fees of the Non-Executive Directors;
- (ii) reviewing and making recommendations to the Board on executive Directors' (if any) and the CEO's remuneration packages; and

- (iii) recommending the quantum of performance bonus pool and share-based incentives for the CEO and key employees.

During the financial year under review, the RC held two (2) meetings.

### Remuneration framework

The RC is responsible for ensuring that a formal and transparent procedure is in place for developing policy on executive remuneration and for determining the remuneration packages of individual directors and KMP. It reviews the remuneration packages with the aim of building capable and committed management teams through competitive compensation and focused management and progression policies.

The RC recommends for the Board's endorsement a framework of remuneration which covers all aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, benefits-in-kind and specific remuneration packages for each Director. The determination of the remuneration of the Directors is a matter for the Board as a whole. Directors do not participate in decision-making in determining their own remuneration. Directors' fees are subject to shareholders' approval at the AGM.

No member of the RC is involved in deliberating in respect of any remuneration, compensation or any form of benefits to be granted to him.

### RC's access to external expert advice on remuneration matters

If the RC requires external professional advice on remuneration matters, such professionals will be engaged at the Company's expense. For the financial year under review, the Company engaged professional services from Mercer on Non-Executive Directors compensation benchmarking.

### Service contracts

The RC reviews the Company's obligations arising in the event of termination of the executive Directors' (if any) and KMP's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous.

## Level and Mix of Remuneration

**Principle 7** The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

### Remuneration of key management personnel

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 and fixed allowance. The variable component is in the form of a variable bonus that is linked to the Company's and the individual's performance. The remuneration policy also seeks to ensure that the remuneration offered is competitive and sufficient to attract, retain and motivate KMP to successfully manage the Company for the long-term.

The Company had the following incentive schemes in place for the financial year under review:

- (i) a short-term performance bonus plan based on a balanced scorecard comprising financial and non-financial key performance indicators (“KPIs”) that had been approved by the RC and the Board at the beginning of the year;
- (ii) a 3-year vesting, long-term performance bonus plan based on the balanced scorecards for the relevant period, which comprises financial and non-financial KPIs that had been approved by the RC; and
- (iii) a long-term share-based incentive plan (the “**Yeo Hiap Seng Limited Share Incentive Plan**”).

The Yeo Hiap Seng Limited Share Incentive Plan was approved and adopted by shareholders of the Company at the AGM held on 29 April 2021. Previous to this, the Company had a long-term share-based incentive plan known as the YHS Share Incentive Plan which had expired on 25 April 2020.

The Yeo Hiap Seng Limited Share Incentive Plan is intended to provide an opportunity for employees and Non-Executive directors of the Group and its associated companies (all as defined therein) who have contributed to the growth and performance of the Group and who satisfy the eligibility criteria as set out under the rules of the plan, to participate in the equity of the Company, thereby aligning the interests of such persons with that of shareholders. The RC is the committee responsible for the administration of this share plan.

Detailed information on the Yeo Hiap Seng Limited Share Incentive Plan can be found in the Directors' Statement and the “Notes to the Financial Statements” section in the Annual Report.

The remuneration package of the CEO is made up of fixed and variable components. The fixed remuneration comprises annual basic salary, fixed allowances and where applicable, a one-off sign-on bonus. The variable component is subject to individual performance and the achievement of the Company's business goals, and is subject to the discretion of the Board.

The employment contract for the CEO does not have fixed-term tenure and does not contain onerous removal clauses.

### Remuneration of Non-Executive Directors

Non-Executive Directors have no service contracts with the Company and their terms are specified in the Constitution. 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 that are taken into account include the frequency of meetings, time spent, responsibilities of Non-Executive Directors, and the need to be competitive in order to attract, motivate and retain these Directors to provide good stewardship of the Company.

The Chairman and members of the ARC receive higher additional fees to take into account the nature of their responsibilities. The aggregate fees of the Non-Executive Directors are subject to the approval of the shareholders at the AGM.

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 2023
	S\$
Chairman (Flat Fee)	350,000
Deputy Chairman	60,000
Lead Independent Director	30,000
Non-Executive Directors – Basic Fee	55,000
Audit & Risk Committee – Chairman	40,000
Audit & Risk Committee – Member	20,000
Other Committee – Chairman	20,000
Other Committee – Member	12,000
Attendance Fee for meetings in Singapore <sup>1</sup>	1,000
Attendance Fee for meetings outside of Singapore <sup>1</sup>	2,000

Annotation(s):

<sup>1</sup> Attendance fees are payable on a per day basis, regardless of the number of meetings held on the same day.

#### **Contractual provisions to reclaim incentive components of remuneration**

The Company does not use contractual provisions to allow itself to reclaim incentive components of remuneration from its executive Directors (if any) and KMP in exceptional circumstances of misstatements of financial results, or of misconduct resulting in financial loss to the Company. The Company should be able to avail itself of remedies in the event of any breach of fiduciary duties by a Director or for any misconduct by management staff in the performance of their duties to the Company.

#### **Disclosure on Remuneration**

**Principle 8** The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

#### **Remuneration report**

The Company does not include an annual remuneration report in this Report as the matters required to be disclosed therein have been disclosed in this Report, the Directors' Statement and the "Notes to the Financial Statements" section in the Annual Report.

## Remuneration of individual Directors

Non-Executive Directors' fees as shown in the table below relate to services rendered in respect of FY2023. Payment of the Directors' fees for FY2023 is subject to approval by shareholders at the forthcoming AGM in April 2024.

Non-Executive Directors	Directors' Fees (FY2023)
	S\$
Ng Win Kong Daryl <sup>1</sup>	350,000 (waived)
Na Wu Beng <sup>2</sup>	78,164
Ong Kay Eng <sup>3</sup>	146,348
Sitoh Yih Pin <sup>4</sup>	30,126
William Peter Adamopoulos <sup>5</sup>	23,660
Goi Lang Ling Laureen	92,000
Lim Su Lin	71,000
Luo Dan <sup>6</sup>	96,384
Mohamad Halim Bin Merican	79,000
Jonathan James Yong Ze Ng <sup>7</sup>	68,041
Leung Yu Hin Eugene	104,000
Edward Averrill Ng Yong Sheng <sup>8</sup> (Alternate Director to Jonathan James Yong Ze Ng)	Nil

### Annotations:

- <sup>1</sup> Mr Daryl Ng has waived his right to receive any Director's fees due to him effective from the date of his appointment and for subsequent financial years while holding office as a Director of the Company.
- <sup>2</sup> Pro-rated in accordance with Mr Na Wu Beng's appointment as Independent & Non-Executive Director, Deputy Chairman of the Board and a member of each of the NC and the RC with effect from 15 June 2023.
- <sup>3</sup> Pro-rated in accordance with Mr Ong Kay Eng's appointment as Chairman of the NC with effect from 2 May 2023.
- <sup>4</sup> Pro-rated in accordance with Mr Sitoh Yih Pin's cessation as Chairman of the NC and a member of the RC upon his retirement as Independent & Non-Executive Director at the conclusion of the AGM held on 28 April 2023.
- <sup>5</sup> Pro-rated in accordance with Mr William Peter Adamopoulos's cessation as member of the NC upon his retirement at the conclusion of the AGM held on 28 April 2023.
- <sup>6</sup> Pro-rated in accordance with Ms Luo Dan's appointment as a member of the ARC and cessation as a member of the NC with effect from 15 June 2023.
- <sup>7</sup> Pro-rated in accordance with Mr Jonathan Ng's cessation as a member of the ARC with effect from 15 June 2023.
- <sup>8</sup> Mr Edward Ng was appointed as Alternate Director to Mr Jonathan Ng with effect from 19 May 2023. Under the Company's Constitution, an alternate director is not entitled to any remuneration in respect of his appointment as alternate director except for such part (if any) of the remuneration otherwise payable to his principal director as the principal director may by notice in writing to the Company direct.

## Remuneration of CEO and key management personnel

The remuneration of the CEO (Mr Ong Yuh Hwang) for FY2023 is as follows:

	Total Gross Remuneration	Fixed Salary <sup>1</sup>	Variable Bonus <sup>2</sup>	Benefits-in-kind & Others <sup>3</sup>
CEO	S\$	%	%	%
Ong Yuh Hwang <sup>4</sup>	1,096,748	54.7	30.1	15.2

Annotations:

<sup>1</sup> Fixed Salary refers to base salary, fixed allowances and contractual bonuses, where applicable.

<sup>2</sup> Variable Bonus refers to cash bonuses awarded for Mr Ong's performance for FY2023.

<sup>3</sup> Benefits-in-kind & Others are stated on the basis of direct costs to the Group and is inclusive of payments in respect of the company (employer) statutory contributions to the Singapore Central Provident Fund, Malaysia Employees Provident Fund, car benefits, children's education and others, where applicable.

<sup>4</sup> Mr Ong Yuh Hwang was appointed as CEO on 1 January 2023.

The remuneration of the KMP (excluding CEO (Mr Ong Yuh Hwang)) for FY2023 is as follows:

		Remuneration Band	Fixed Salary <sup>1</sup>	Variable Bonus <sup>2</sup>	Benefits-in-kind & Others <sup>3</sup>
Key Management Personnel	Designation	S\$	%	%	%
Ang Chong Lee	Chief Marketing Officer	\$500,000 to \$749,999	72.6	19.4	8.0
Heng Hee Choo	Chief Financial Officer	\$500,000 to \$749,999	74.0	18.2	7.8
Tan Xiaoliang	Chief Research & Development Officer	\$500,000 to \$749,999	57.2	37.7	5.1
Ozgur Simsek	Managing Director, Emerging Markets	\$250,000 to \$499,999	93.0	0.0	7.0
Zhang Yihong	Managing Director, China	\$250,000 to \$499,999	80.0	0.0	20.0

The aggregate remuneration paid or payable to the above KMP in the financial year under review was S\$2,546,597.

Annotations:

<sup>1</sup> Fixed Salary refers to base salary, fixed allowances and contractual bonuses, where applicable.

<sup>2</sup> Variable Bonus refers to cash bonuses awarded for performance for FY2023 and long-term incentives.

<sup>3</sup> Benefits-in-kind & Others are stated on the basis of direct costs to the Group and is inclusive of payments in respect of the company (employer) statutory contributions to the Singapore Central Provident Fund, Malaysia Employees Provident Fund, car benefits, children's education and others, where applicable.

## **Employees related to Directors/CEO/substantial shareholder**

There were no employees of the Group who are substantial shareholders of the Company or are immediate family members of any of the Directors, the CEO (Mr Ong Yuh Hwang) or a substantial shareholder of the Company and whose remuneration exceeds S\$100,000.

## **Termination, retirement or post-employment benefits**

No termination, retirement or post-employment benefits were granted to the Directors, the CEO or the KMP (who are not Directors or the CEO) during the financial year under review.

## **Link between remuneration and performance**

The Company has in place a performance bonus plan. Each year, during the budget period, Management will propose a balanced scorecard (comprising financial and non-financial KPIs with different ascribed weightages) to the RC and the Board for consideration and approval. The scorecard will take into consideration all the critical items that the Group is to focus on for the financial year, including key multi-years' projects. The KPIs and weightages will differ depending on the function and geography of the different operating units.

During the financial year, the CEO evaluates *inter alia* the extent to which the above KPIs have been achieved based on the Company's performance, after taking into consideration market conditions during the year and recommends for the approval of the RC and the Board the bonus pool quantum for distribution. As part of the Company's continuing efforts to reward, retain and motivate the KMP, the total bonus awarded to the CEO and key employees may be paid in a combination of cash and deferred cash to further strengthen medium term alignment of the interests of such personnel with that of shareholders.

## **ACCOUNTABILITY AND AUDIT**

### **Risk Management and Internal Controls**

**Principle 9** The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

## **Compliance with legislative and regulatory requirements**

The Company has in place a system of reporting to maintain compliance with statutory and regulatory reporting requirements.

In compliance with the Listing Manual, negative assurance statements were issued by the Board with each interim financial statement to confirm that to the best of its knowledge, nothing had come to its attention which would render the Company's interim financial statements false or misleading in any material respect.

As required under Rule 720(1) of the Listing Manual, the Company has procured undertakings from all its Directors and executive officers where they each undertook to, in the exercise of their powers and duties as Directors and executive officers respectively, use their best endeavours to comply with the provisions of the Listing Manual.

## **Management's accountability for the provision of timely information to the Board**

Management provides the Board with a regular flow of relevant information on a timely basis in order that it may effectively discharge its duties. All Board members are also provided with up-to-date financial reports and other information on the Group's performance for effective monitoring and decision-making.

Management also provides all members of the Board with unaudited results with explanatory notes which present a balanced and understandable assessment of the Company's performance, financial position and prospects on a quarterly basis. Following changes to the Listing Manual which took effect from 7 February 2020, the Company announced on 27 February 2020 that moving forward, it would not be announcing its unaudited financial results on a quarterly basis but would instead announce its financial results on a semi-annual basis. With respect to the financial year under review, the Company announced the financial results of the Group and the Company on a semi-annual basis and disclosed other relevant material information via SGXNET to the shareholders.

Management would also highlight key business indicators and any major issues that are relevant to the Group's performance as and when appropriate in order for the Board to make a balanced and informed assessment of the Company's performance, position and prospects.

## Risk management and internal control systems

The Board recognises the importance of maintaining a sound system of risk management and internal controls to safeguard shareholders' interests and the Company's assets. The Board is primarily responsible for the governance of risk, including determining the nature and extent of the significant risks which the Company is willing to take in achieving its strategic objectives and value creation.

The Group has established a comprehensive risk management framework approved by the ARC which oversees and ensures that the systems of risk management and internal controls are being appropriately designed, implemented and closely monitored for its adequacy and effectiveness.

The Company has also instituted and put in place across the Group policies on Code of Conduct, Dealing in Securities and Whistleblowing to mitigate the risk of fraud, corruption and misconduct involving employees.

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

The principal risks of the Group and a description of how they are being managed or mitigated are as follows:

- i. risk of product contamination and compromised product integrity in the manufacturing process. The Group has an established Quality Assurance function which oversees and monitors product integrity and manufacturing processes across the Group;
- ii. risk of an inadequate Business Continuity Plan ("BCP") which is essential for the continuation of key processes to recover from unexpected business interruptions. The Group has a BCP to help the Group respond to and recover from disruptive incidents;
- iii. risk of loss of relevance of the Group's products to consumers as a result of changing lifestyles and preferences, particularly with respect to the growing demand for healthier living and increasing concerns about the environmental impact of the Group's products. The Group continuously scans for threats to and opportunities for the business and focuses on consumer research and product innovation to ensure that the Group's products continue to appeal to consumers;

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

v. economic and political conditions in markets where the Group operates may be uncertain which results in risks arising from foreign exchange and commodity price volatilities. Policies and procedures addressing these areas have been established throughout the Group to mitigate these risks;

vi. loss of capacity at any particular plant within the Group due to unforeseen circumstances that affect the supply of products and the business of the Group. 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. core operational disruptions and data breaches from cyber-attacks resulting in reputational damage due to weaknesses in IT security systems and controls. The Group has in place incident response plans to mitigate the impact of cyber-related incidents. The Group continuously monitors the cyber threat landscape and implements new measures as appropriate to strengthen its cyber defences and resilience;

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

ix. water and utilities disruptions in production can significantly impact the Group's supply chains, operations and production. The Group has installed back-up water tanks for supply to critical production lines and deployed Uninterrupted Power Supply systems for its critical key processes to ensure business continuity in the event of any supply disruptions;

- x. operating in a global environment, the Group is exposed to changing regulations and applicable laws in jurisdictions where it has a business presence. The Group monitors and keeps itself updated with the latest changes to ensure regulatory compliance;
- xi. the acceleration of digital adoption not only transforms workplace and consumer buying norms but may also disrupt existing business models. The Group constantly monitors these developments to calibrate its strategies and investments to mitigate against risks which may arise, or to capitalise on opportunities that present themselves; and
- xii. the health and safety of the Group's employees, customers and partners is a key priority. The Group has in place workplace safety committees at all manufacturing plant sites to ensure adequate safety measures are put in place and continuously monitors for safety performance.

#### **Adequacy and effectiveness of risk management and internal control systems**

The Company's internal auditors review the implementation of the policies and procedures adopted for risk management and internal control, and report their findings to the ARC to provide check and balance. They have incorporated sustainability reporting into the audit cycle, which may span one or a few years in accordance with risk-based planning, as approved by the ARC. The internal assurance review focuses on the design of and compliance with policies, processes and internal controls to ensure the quality of data produced.

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 their attention during the conduct of their normal audit procedures, which are designed primarily to enable them to express an opinion on the financial statements. Any material internal control weaknesses identified by the external auditors during their audit and their recommendations are reported to the ARC.

On a quarterly basis, the ARC conducts a review of the Company's risk management and internal controls systems to ensure that the systems in place are adequate and effective to address the Company's significant risk areas.

#### **Sanctions-related risk**

During the year under review, the Board, together with the ARC, also paid particular attention to the Group's risk of becoming subject to or violating any sanctions-related law or regulation. While there has been no material change in the risk of the Group being subject to any sanctions-related law or regulation, the Group continues to monitor developments and will ensure timely and accurate disclosure to the SGX-ST and other relevant authorities as appropriate.

#### **Board's comment on the adequacy and effectiveness of internal controls**

For the financial year under review, the Board was assured by the CEO and the CFO that the financial records had been properly maintained, the financial statements gave a true and fair view of the Group's operations and finances, and the Group's internal controls and risk management systems were adequate and effective.

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, the assurance furnished by the CEO and the CFO and reviews performed by Management and various Board committees, the Board with the concurrence of the ARC is of the opinion that the Group's internal controls (including financial, operational, compliance and information technology controls) and risk management systems were adequate and effective as at 31 December 2023 to address the financial, operational, compliance and information technology risks which the Group considers relevant and material to its operations.

For the financial year under review, no material weaknesses in the systems of risk management and internal controls were identified by the Board or the ARC. Notwithstanding this, areas for improvement have been identified and measures have been put in place to strengthen the systems of risk management and internal controls.

Internal controls, due to their inherent limitations, provide reasonable but not absolute assurance in the achievement of their internal control objectives. The Board is satisfied that if significant internal control failures or weaknesses were to arise, Management would take all necessary actions to remedy them.



### Separate risk committee

Oversight of the Group's risk management framework and policies is under the purview of the ARC, which is aided by the Group Risk Management function and the internal auditors. Having considered the Group's business operations as well as its existing internal controls and risk management systems, the Board is of the opinion that a separate risk committee is not required for the time being.

### Audit Committee

**Principle 10** The Board has an Audit Committee which discharges its duties objectively.

### ARC composition

As at 31 December 2023, the ARC comprised five (5) Non-Executive Directors, namely, Mr Ong Kay Eng (Chairman of the ARC), Ms Goi Lang Ling Laureen, Mr Mohamad Halim Bin Merican, Mr Leung Yu Hin Eugene and Ms Luo Dan. Save for Mr Leung Yu Hin Eugene, the other four (4) members of the ARC, and hence a majority of the ARC, are independent Directors.

During the financial year under review:

- (a) Ms Luo Dan was appointed as a member of the ARC on 15 June 2023; and
- (b) Mr Jonathan James Yong Ze Ng relinquished his role as a member of the ARC on 15 June 2023.

The ARC is guided by its written Terms of Reference, which specifically sets out its authority and responsibilities.

During the financial year under review, the ARC held four (4) meetings.

### Expertise of ARC members

The ARC members bring with them professional expertise and experience in the field of accounting and financial management. Mr Ong Kay Eng, the ARC Chairman, has been a veteran banker with more than four decades of experience in banking and finance. The background of each ARC member can be found in the "Profile of the Board of Directors" section of the Annual Report.

The NC is of the view that the members of the ARC have sufficient recent and relevant financial management expertise and experience to discharge the ARC's functions.

### Roles, responsibilities and authority of the ARC

The ARC 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 CEO, at the invitation of the ARC, participates in the ARC's deliberations.

### The ARC performs the following main functions:

- i. reviewing with the external auditors their audit plan, audit reports, significant financial reporting issues and judgements (to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance), 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 at least annually the scope and results of internal audit procedures and its evaluation of the adequacy and effectiveness of the overall internal controls and risk management systems;
- iii. reviewing the assurance from the CEO and CFO on the financial records and financial statements;
- iv. reviewing and recommending to the Board for approval the financial statements and full-year financial results and related SGXNET announcements;
- v. reviewing and approving the appointment, replacement or dismissal, evaluation and compensation of the internal auditors and the adequacy, independence, scope and effectiveness of the internal audit function;
- vi. reviewing the adequacy, effectiveness, independence, scope and results of the external audit, and the independence and objectivity of the external auditors;
- vii. recommending to the Board (i) the appointment, re-appointment or change of the external auditors, taking into consideration (where applicable) the scope and results of the audit and their cost effectiveness, and (ii) their remuneration and engagement terms;

- viii. 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 the Group should undertake to achieve its business objectives, the appropriate framework and policies for managing risks that are consistent with the Group's risk appetite, the risk tolerance levels for the Group'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;
- ix. reviewing interested person transactions to consider whether such transactions are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders, and (where applicable) to 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;
- x. reviewing the whistleblowing 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;
- xi. reviewing improper activities, suspected fraud or irregularities, discussing such matters with the external auditors and reporting to the Board, where necessary;
- xii. performing any other functions which may be agreed by the ARC and the Board; and
- xiii. monitoring of the Group's risk of becoming subject to, or violating, any sanctions-related law or regulation, ensuring timely and accurate disclosure to the SGX-ST and other relevant authorities, and assessing whether independent legal advice or the appointment of a compliance adviser is required in relation to sanctions-related risks applicable to the Group.

The ARC 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 ARC makes reference to the best practices and guidance in publications such as the Guidebook for Audit Committees in Singapore jointly issued by ACRA, the Monetary Authority of Singapore ("MAS") and SGX, the Guidance to Audit Committees on ACRA's Audit Quality Indicators Disclosure Framework, practice directions issued from time to time in relation to Financial Reporting Surveillance Programme administered by ACRA, and the Risk Governance Guidance for Listed Boards issued by the Corporate Governance Council.

In its review of the financial statements, the ARC discussed with Management the accounting principles that were applied and their judgement of items that might affect the integrity of the financial statements reported under key audit matters in the independent auditors' report, both of which can be found in the "Financial Statements" section of the Annual Report.

Having reviewed the audit plans (internal and external) and the adequacy and effectiveness of the Group's systems of risk management and internal controls, the ARC is satisfied with Management's processes, disclosures in the financial statements and report of the external auditors.

Following the review and discussions, the ARC will then recommend to the Board where appropriate the release of the full-year financial statements.

Minutes of the ARC meetings are routinely tabled at Board meetings for the Directors' information.

#### **External and internal auditors**

The ARC 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 the Company.

The ARC meets with the external auditors, and with the internal auditors, in each case without the presence of Management, at least once annually.

For the financial year under review, the ARC held one (1) meeting with the external and internal auditors without the presence of Management.

## Independence of external auditors

The ARC reviews the independence and objectivity of the external auditors through discussions with the external auditors, as well as an annual review of the volume and nature of non-audit services provided by the external auditors. The fees paid to the Group's external auditors are as disclosed in the table below:

External Auditors' Fees for FY2023	S\$'000	% of Total Fees
Audit Fees	761	97.1
Non-audit Fees	23	2.9
Total Fees	784	100.0

In the ARC's opinion, the non-audit services provided by the external auditors did not impair their objectivity and independence. Accordingly, the Company has complied with Rule 1207(6)(b) of the Listing Manual.

The Company has also complied with Rules 712 and 715 or 716 of the Listing Manual, as applicable, 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 of the Listing Manual.

### Whistleblowing policy

The Group has put in place a whistleblowing policy, endorsed by the ARC, under which employees and other stakeholders of the Group may, in confidence, raise concerns to the Company about possible corporate irregularities, misconduct and/or wrongdoing in matters of financial reporting or other matters relating to the Company, its officers and employees.

The Company has designated an independent function to investigate all whistleblowing reports made in good faith and Management provides quarterly updates to the ARC on such whistleblowing reports, if any. The ARC is responsible for oversight and monitoring of the Group's whistleblowing policy and arrangements.

The Group's whistleblowing reporting channel is posted on the Group's intranet and official website to encourage the reporting of any behaviour or action that might constitute a contravention of any rules/regulations/accounting standards as well as internal policies.

The Company treats all information received in strict confidence and protects the identity and the interest of all whistle-blowers. The anonymity of the whistle-blower will be maintained where so requested by the whistle-blower and the Company is committed to ensure protection of the whistle-blower against detrimental or unfair treatment.

### ARC's activities and members' duty to keep abreast of changes to accounting standards

The primary role of the ARC is to assist the Board in ensuring the integrity of the Group's financial accounting system and that a sound internal control system is in place.

The ARC meets regularly with Management and the external auditors to review auditing and risk management matters and deliberate on accounting implications of any major transactions including significant financial reporting issues. It also reviews the internal audit functions to ensure that an effective system of control is maintained by the Group.

During the financial year under review, the ARC reviewed the Company's financial results announcements before their submission to the Board for approval.

The ARC is kept abreast by Management and the external auditors of changes to the financial reporting standards, Listing Manual and other regulations and issues which have a direct impact on the Group's business and financial statements.

### **Cooling-off period for partners of the Company's auditing firm**

None of the ARC members were previous partners or directors of the Company's existing external auditors, KPMG LLP, within the period of two (2) years commencing on the date of their ceasing to be a partner or director of KPMG LLP. All ARC members do not have any financial interest in KPMG LLP.

### **Internal auditors and their function**

The Company has an independent internal audit function which reports directly to the ARC and administratively to the CEO.

The ARC reviews the independence, adequacy and effectiveness of the internal audit function and ensures that it is adequately resourced and effective.

The ARC is satisfied that the Company's internal audit function is effective, adequately resourced, independent, and has appropriate standing within the Company.

The internal auditors have unfettered access to all the Company's documents, records, properties and personnel, including access to the ARC.

## **SHAREHOLDER RIGHTS AND ENGAGEMENT**

### **Shareholder Rights and Conduct of General Meetings**

**Principle 11** The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

### **Effective participation and voting by shareholders at general meetings**

All shareholders are informed of shareholders' meetings through notices contained in annual reports and circulars disseminated to them. These notices are also published in the local press (unless such requirement is otherwise waived by the relevant regulatory authorities) and posted on SGXNET. Resolutions tabled at general meetings are voted by poll, the procedures and rules under which are clearly explained at such general meetings.

The Company supports active shareholder participation at general meetings. The shareholders are encouraged to attend these general meetings to ensure a high level of accountability and to stay informed of the Group's strategies and visions. Shareholders are also given opportunities to raise relevant questions or seek clarification on the motions before they are put to the vote.

During the financial year under review, the Company's 67th AGM was convened and held by way of electronic means on 28 April 2023 pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 ("**Ministerial Order**") and the checklist jointly issued by ACRA, MAS and Singapore Exchange Regulation, which gave guidance to listed and non-listed entities on the conduct of general meetings amid the evolving COVID-19 situation ("**Checklist**"). Shareholders (themselves or through duly appointed proxies) and CPF/SRS investors who were appointed as proxies by their relevant CPF Agent Banks/SRS Operators were able to participate in the 67th AGM remotely via the live audio-visual webcast or live audio-only stream of the AGM proceedings.

As Singapore has progressively transitioned towards living with COVID-19 and meetings can now take place physically, the Singapore authorities revoked the Ministerial Order with effect from 1 July 2023. Separately, pursuant to recent legislative amendments (with effect from 1 July 2023) to the Companies Act 1967 (the "**Companies Act**"), as read with Listing Rule 730A of the SGX-ST Listing Manual and Practice Note 7.5 of the Listing Manual on the conduct of general meetings (amended with effect 1 July 2023), listed companies are required to hold all their general meetings either at a physical place in Singapore, or at a place in Singapore and using virtual meeting technology. Listed companies are guided to have regard to the size and needs of their shareholder base and to facilitate shareholder engagement. In this regard, the Company's forthcoming 68th AGM to be held on 26 April 2024 (the "**2024 AGM**") will be held in a wholly physical format. There will be no option for shareholders to participate virtually. Shareholders will also be given the opportunity to submit written questions in advance of the 2024 AGM, and all substantial and relevant questions which are related to the resolutions to be tabled for approval at the 2024 AGM will be responded to within a reasonable timeframe prior to the 2024 AGM and through publication on SGXNET and the Company's corporate website.

Further details on the arrangements relating to attendance at the 2024 AGM, submission of questions in advance of, or at, the 2024 AGM, and voting at the 2024 AGM by shareholders or their appointed proxy(ies) are set out in the Notice of AGM in this Annual Report.

### **Separate resolutions at general meetings**

Resolutions to be tabled at general meetings are separate for each substantially separate issue, unless they are interdependent and linked so as to form one significant proposal. Where resolutions are bundled, the reasons and material implications are explained in the notice of general meeting to enable shareholders to make an informed decision.

### **Voting by poll at general meetings**

For greater transparency in the voting process, the Company has implemented electronic poll voting at general meetings of shareholders. An independent polling agent will also be appointed by the Company for each general meeting and such polling agent will facilitate the voting process and explain the voting procedures that govern the relevant general meeting. The voting results of all votes cast for or against each resolution are made available at the meeting and subsequently announced to the SGX-ST after the meeting.

At the forthcoming 2024 AGM which will be held in a wholly physical format, all resolutions put forth at the AGM will be put to vote by way of poll, and the detailed results of the vote on every resolution polled, including the total number and the respective percentage of votes cast for and against each resolution, will be declared at the AGM itself and announced via SGXNET in accordance with the relevant requirements of the Listing Manual. The Company will also appoint a polling agent and an independent external party as scrutineer who will attend the 2024 AGM to ensure that the polling process is properly carried out. Prior to the 2024 AGM, the scrutineer will review the proxy forms received and the poll voting system and also attend to the proxy verification process to ensure that the proxy and poll voting information is compiled correctly.

Provision 11.4 of the 2018 Code provides that an issuer's Constitution should allow for absentia voting at general meetings of shareholders. Our Constitution currently does not, however, permit shareholders to vote at general meetings in absentia (such as via mail, email or fax). The Company has not amended its Constitution

to provide for absentia voting, as it could be costly to implement, bearing in mind that the Company would need to implement preventive measures to guard against errors, fraud and other irregularities. The Company is of the opinion that despite its deviation from Provision 11.4 of the 2018 Code, shareholders nevertheless have opportunities to communicate their views on matters affecting the Company even when they are not in attendance at general meetings. For example, shareholders may appoint proxies to attend, speak and vote, on their behalf, at the respective general meetings.

### **Multiple proxies**

Following the introduction of the multiple proxies regime under the Companies Act with effect from 3 January 2016, "relevant intermediaries" (such as banks and capital markets services licence holders which provide custodial services for securities) which are members of the Company, are able to appoint more than two proxies to attend, speak and vote at general meetings of shareholders of the Company. Accordingly, and to facilitate effective participation in general meetings of shareholders, the Company has, at its 60th AGM held on 22 April 2016, adopted a new Constitution which contains new provisions that cater to the multiple proxies regime.

### **Attendees at general meetings**

Members of the Board, the Chairman of each of the Board committees, senior management, the external auditors, legal advisors and Management are in attendance at general meetings of shareholders. In general, all Directors are expected to attend general meetings of shareholders, unless they are unable to attend due to exigencies.

The external auditors who attend the Company's general meetings of shareholders are equipped to address shareholders' queries about the conduct of audit and the preparation and content of the auditors' report.

### **Minutes of general meetings**

The Company Secretary prepares the minutes of shareholders' meetings, which include substantive comments and queries from shareholders and the responses from the Board and Management. The Company published the minutes of its 67th AGM held on 28 April 2023 on its corporate website and on SGXNET on 24 May 2023.

## Dividend policy

Provision 11.6 of the 2018 Code provides that an issuer should have a dividend policy and communicate it to shareholders. The Company does not, however, have a stated policy of distributing a fixed percentage of earnings by way of dividend annually. Rather, in fixing a dividend for any year, the Company considers a number of factors including current and forecast earnings, internal capital requirements, growth options and the Company's debt/equity position. The Company is of the view that despite its deviation from Provision 11.6 of the 2018 Code, all shareholders are treated fairly and equitably to enable them to exercise their shareholders' rights. Shareholders have the opportunity to communicate their views on matters affecting the Company, including the dividend payout in any given year. Notwithstanding the absence of a stated dividend policy, shareholders are able to express their views to the Company on matters relating to dividends, whether this is done at AGMs or otherwise, and due consideration is given to such feedback.

## Engagement with Shareholders

**Principle 12** The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

## 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. The Company's investor relations policy allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with shareholders. The policy sets out the mechanism through which shareholders may contact the Company with questions and through which the Company may respond to such questions. The Company has personnel with investor relations responsibilities to facilitate communication with shareholders, investors, fund managers, analysts, media and other stakeholders on a regular basis, to attend to their queries or concerns, as well as to keep the investing public apprised of the Company's corporate developments and financial performance.

Information on the Company and its businesses is also made available on the Company's website: [www.yeos.com.sg](http://www.yeos.com.sg).

## Timely Information to shareholders

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 financial results. The Company's Annual Report and all financial results are accessible to the public on SGXNET and the Company's website. Although the Company has ceased quarterly reporting of its financial results in conjunction with changes to the Listing Manual which took effect from 7 February 2020, the Company will continue to keep shareholders updated on material developments relating to the Company and the Group, in compliance with its continuing disclosure obligations, as and when appropriate.

The Company does not practise selective disclosure of material information. Price or trade sensitive information is first publicly released before the Company meets with any group of investors or analysts. Financial results and other price or trade sensitive public announcements are presented by the Company through a balanced and understandable assessment of the Group's performance, position and prospects.

## Sufficient information to shareholders

The Company's corporate governance practices promote the fair and equitable treatment of all shareholders. To facilitate shareholders' ownership rights, the Company ensures that all material information is disclosed on a comprehensive, accurate and timely basis via SGXNET, especially information pertaining to the Company's business development and financial performance which could have a material impact on the price or value of its shares, so as to enable shareholders to make informed decisions in respect of their investments in the Company.

Further, the Company also believes in providing sufficient and regular information to shareholders and the public beyond mere compliance with prevailing statutory or professional standards.

## Regular dialogue with shareholders

General meetings have been the principal forums for dialogue with shareholders. At these meetings, shareholders are given the opportunity to engage the Board and Management on the Group's activities, financial performance, other business-related matters and plans for the Group's development. Such meetings also allow the Company to gather views or inputs, and

address shareholders' concerns. Nevertheless, due to the COVID-19 situation in Singapore at the time and in order to minimise the risk of community spread of the coronavirus, in respect of the virtual general meetings convened and held from 2020 to 2023 pursuant to the Ministerial Order and the Checklist, although shareholders were not able to physically attend such meetings, they were able to submit questions to the Chairman of the meeting in advance of the meeting and such questions (if they were substantial and relevant to the agenda items of the meeting) would have been addressed at or before the relevant meeting. As disclosed above, the Company's forthcoming 2024 AGM is intended to be held in a wholly physical format. The Company looks forward to shareholders' participation at the meeting.

#### **Soliciting and understanding views of shareholders**

Outside of the financial reporting periods, when necessary and appropriate, the CEO will meet analysts and fund managers who seek a better understanding of the Group's operations. The CEO similarly remains open to engage with local and foreign investors to garner feedback from the investor community on a range of strategic and topical issues, which will provide the Board with valuable insights on investors' views. When opportunities arise, the CEO will conduct media interviews to give shareholders and the investing public a profound perspective of the Group's business.

## **MANAGING STAKEHOLDERS RELATIONSHIPS**

#### **Engagement with Stakeholders**

**Principle 13** The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

The Company's stakeholders include employees, contractors and suppliers, government and regulators, community, shareholders and investors. The Company engages these stakeholders through various channels to ensure that the business interests of the Group are balanced against the needs and interests of its stakeholders.

The Company maintains a corporate website at [www.yeos.com.sg](http://www.yeos.com.sg) to communicate and engage with stakeholders. We value opportunities to engage with our shareholders and investors, who can contact us directly through the investors relations email addresses as published on our corporate website.

## **CODE OF CONDUCT**

The Group has adopted a Code of Conduct to regulate the standards and ethical conduct of the Group's employees and other stakeholders (for example, vendors and other supply chain business partners) who are required to observe and maintain high standards of integrity.

## **DEALINGS IN SECURITIES**

The Company has in place a Securities Dealings Policy (as may be amended from time to time) modelled to comply with the best practices guidance in Rule 1207(19) of the Listing Manual. In particular, the Company issues half yearly reminders to its Directors and employees on the restrictions in dealings in listed securities of the Company during the period commencing one month immediately preceding, and up to the time of announcement of, the Company's results for the half-year and the full financial year. Directors and employees are also reminded not to trade in listed securities of the Company at any time while in possession of unpublished price or trade sensitive information, and to refrain from dealing in the Company's securities on short-term considerations.

## **MATERIAL CONTRACTS**

No material contracts were entered into by the Company or any of its subsidiaries involving the interests of the CEO, any Director or controlling shareholder and either (i) still subsisting at the end of the financial year under review or (ii) entered into since the end of the previous financial year.

## INTERESTED PERSON TRANSACTIONS

Interested person transactions carried out during the financial year under review which fall under Chapter 9 of the Listing Manual are as follows:

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)
		2023 S\$
<u>Far East Organization Group</u>	Associate of controlling shareholder	
Sale of goods		590,902
<u>Sino Land Company Limited Group</u>	Associate of controlling shareholder	
Sale of goods		293,337
<u>Realty Star Development Limited</u>	Associate of controlling shareholder	
Operating lease paid/payable		209,544
<u>Baynard Limited</u>	Associate of controlling shareholder	
Reimbursement of expenses/costs		1,226,842

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



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Refresh What Matters

## YEO'S SUSTAINABILITY VALUES:

# BUILD

Our approach to sustainable development of our business is guided by our sustainability values:



Yeo Hiap Seng Limited (“Yeo’s”)’s sustainability report details our environmental, social and governance (“ESG”) performance for the fiscal year 2023.

### SUSTAINABILITY AT THE FOREFRONT

Our sustainability vision is embedded in our business and operational strategy underpinned by our values. We conduct our businesses in a fair and responsible manner backed by robust governance structures; optimise the use of resources in delivering high quality products to our consumers; seek continual improvement to minimise environmental footprint; innovate continuously to delight our consumers with healthier and high-quality consumption choices; and contribute to local communities.

This pursuit for sustainability excellence is backed by our sustainability values that emphasise integrity, diligence as well as unity across functions as we stay loyal and committed to achieving our sustainability goals.

In FY2023, Yeo’s worked to improve our sustainability agenda with a renewed focus on areas that impact both

our business and the environment. As a responsible manufacturer, Yeo’s aims to provide the best product and value to our consumers yet at the same time understand that we need to place strong emphasis on sustainability as it presents an opportunity for us to leverage on our business strategies to minimise impact to the environment.

This report is prepared in accordance with the framework recommended by the Task Force on Climate-related Financial Disclosures (“TCFD”) and with reference to the Global Reporting Initiative (“GRI”) standards.

The report presents a detailed discussion of our approach to the areas of materiality using the TCFD framework under the four core elements: climate-related governance, strategy, risk management, metrics and targets.

In line with SGX’s sustainability requirements, Yeo’s sustainability reporting process has been subject to internal review. We have not sought external assurance for this report and will consider doing so as the reporting standards and regulations evolve.

# GROUP OVERVIEW

## SUSTAINABILITY GOVERNANCE AND MANAGEMENT

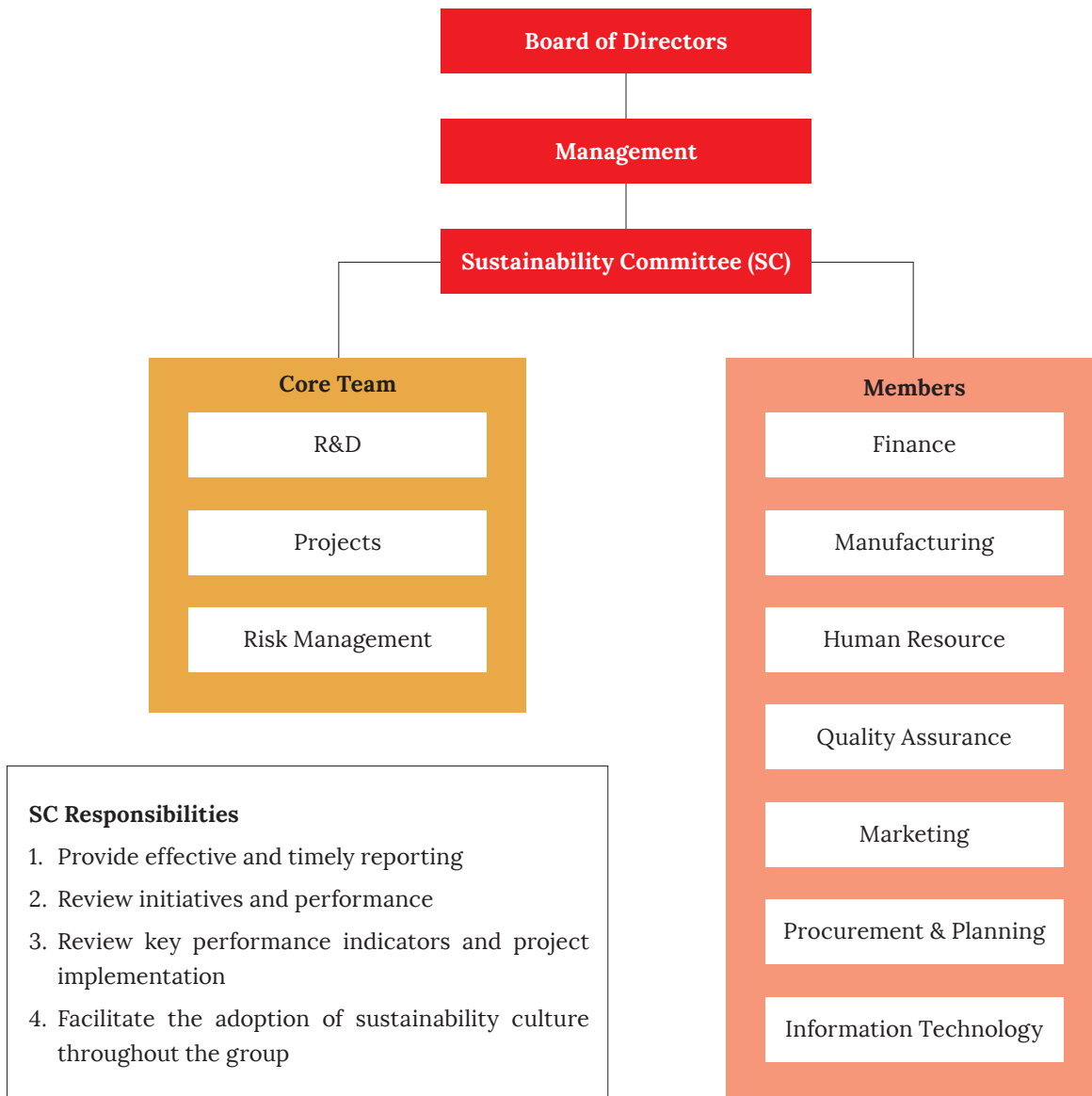
At Yeo's, the Board of Directors has considered sustainability issues in the Group's business and strategy, determined the material ESG factors and overseen the management and monitoring of the material ESG factors that impact the Group's activities. In managing the governance of sustainability issues, the Board is assisted by the Sustainability Committee ("SC") which is headed by the Chief Research & Development Officer, who in turn reports to the management.

All the Directors have attended training on sustainability matters which was mandated by the SGX-ST with effect from 1 January 2022.

### Reporting & Governance Structure

Yeo's SC is represented by members from major functions and provides the overall support to ensure that the sustainability work is communicated and well supported.

### Sustainability Governance Structure



## Stakeholder Engagement

Stakeholder engagement is key to our sustainability strategy, and we recognise that our actions can impact our stakeholders' assessment of our performance. Our

selection of stakeholders is determined by the influence, dependency, representation and proximity between the stakeholders and our businesses, as well as our responsibility towards them.

	SIGNIFICANCE	KEY TOPICS & CONCERNS	ENGAGEMENT PLATFORMS
<b>Employees</b>	Human capital is our most valuable asset, and we are committed to investing in the development of our people. We create a performance-led culture with learning opportunities where our people can develop and grow.	<ul style="list-style-type: none"> <li>• Training and development</li> <li>• Health, safety and general well-being environment</li> <li>• Engaging employment experience</li> <li>• Career development</li> </ul>	<ul style="list-style-type: none"> <li>• Orientation programmes</li> <li>• Staff communication via townhalls, intranet, circulars, newsletter and emails</li> <li>• Performance and career development reviews</li> </ul>
<b>Suppliers</b>	Strong and effective relationships with our suppliers give our businesses strategic advantages, including better value. By effecting stringent procurement processes, we foster an ethical culture and comply with all legal requirements.	<ul style="list-style-type: none"> <li>• Responsible business practices</li> <li>• Governance and compliance structure</li> <li>• Sustainable procurement</li> </ul>	<ul style="list-style-type: none"> <li>• Face-to-face and/or virtual meetings</li> <li>• Email communication</li> </ul>
<b>Customers/ Consumers</b>	We are committed to keeping abreast of consumer trends and preferences, as well as research and development initiatives to continually improve our range of products to better meet consumers' needs for high quality, healthier and innovative offerings.	<ul style="list-style-type: none"> <li>• Product quality</li> <li>• Understanding consumer needs</li> <li>• Innovation and creation</li> </ul>	<ul style="list-style-type: none"> <li>• Corporate website</li> <li>• Social media channels</li> <li>• Product marketing promotions and campaigns</li> <li>• Consumer surveys</li> </ul>
<b>Government/ Regulators/ Activists</b>	Governments and regulations can affect how businesses are run and create new challenges and opportunities for us. We keep a close eye on topics of concern to governments, regulatory bodies and activist groups wherever we operate. In our key markets, we also engage with the regulators regularly to understand their concerns and to provide our feedback.	<ul style="list-style-type: none"> <li>• Compliance with laws and regulations</li> <li>• Opportunities for collaboration</li> </ul>	<ul style="list-style-type: none"> <li>• Regulatory filings</li> <li>• Meetings and dialogues</li> <li>• Seminars and Conferences</li> </ul>
<b>Investors</b>	Our investors believe firmly that a sustainable business approach is important in creating long-term value for the company.	<ul style="list-style-type: none"> <li>• Relevant disclosure to shareholders</li> <li>• Business strategy</li> <li>• Economic and financial performance</li> </ul>	<ul style="list-style-type: none"> <li>• Annual general meeting</li> <li>• Annual report</li> <li>• Corporate website and communications</li> <li>• Half-yearly reporting</li> </ul>
<b>Local Communities</b>	As active members of our communities, we aim to contribute towards their continued well-being.	<ul style="list-style-type: none"> <li>• Sustainable development of our communities</li> <li>• Supporting social needs and events</li> </ul>	<ul style="list-style-type: none"> <li>• Corporate social responsibility events</li> </ul>

## RISK MANAGEMENT AND STRATEGY

Yeo's adopts our Enterprise Risk Management ("ERM") framework by identifying specific risks and opportunities and putting in place strategies to address our material risks. Our sustainability risk and materiality assessments are performed both from top down and bottom-up approaches to understand the internal and external context of the risks that impacts our business strategy.

**Internal context** is the internal environment in which Yeo's seeks to achieve its objectives. The risk management process is aligned with Yeo's culture, processes and structure. Any internal areas within Yeo's that can influence the way in which Yeo's manages its risk are established.

**External context** (or external environment) in which Yeo's seeks to achieve its objectives is important in ensuring that external stakeholders, their objectives and concerns are considered when identifying our risks. The external context can include, but is not limited to:

- The cultural, political, legal, regulatory, financial, technological, economic, natural and competitive environment, whether international, national, regional or local;
- Key drivers and trends having impact on the objectives of Yeo's; and
- Perceptions and values of external stakeholders.

Our Audit & Risk Committee ("ARC") has oversight of our ERM processes and ensures that the systems of risk management and internal controls are being appropriately designed, implemented and closely monitored for their adequacy and effectiveness. Our key risk indicators are reported to the ARC on a quarterly basis, together with an annual review of the risk appetite and risk tolerance statements. At the end of each financial year, the Board receives assurance from the CEO and CFO that the risk management and internal control system is adequate and effective to address the risks from key material topics identified by the Group.

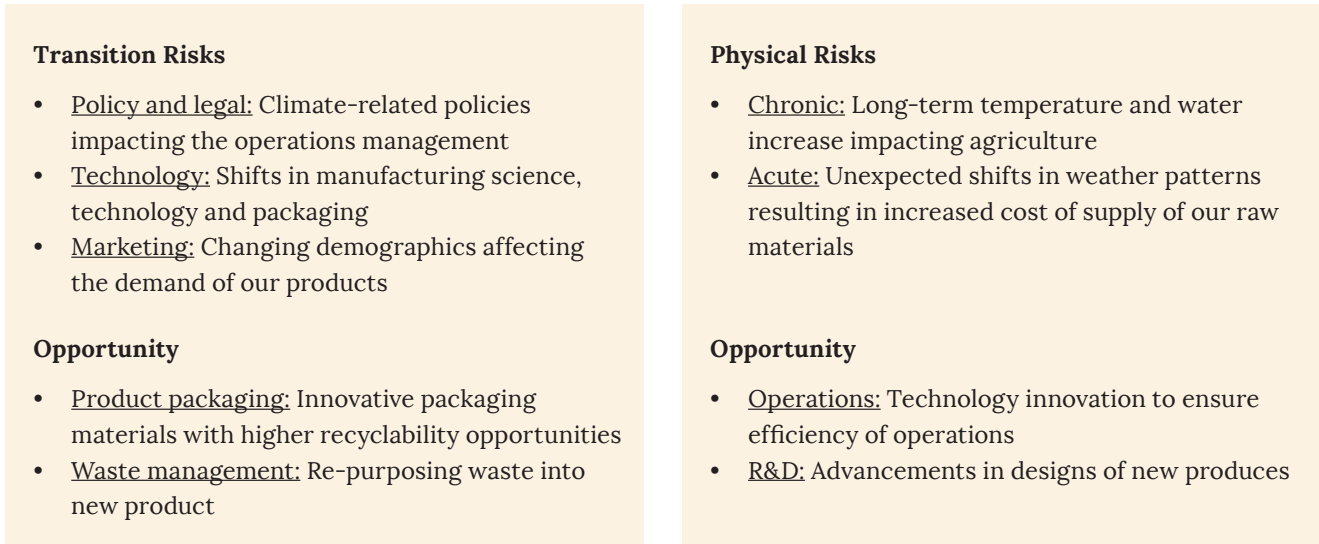
Yeo's takes a proactive and comprehensive approach to understand and assess the impacts of climate change on our business, which includes building resilience into our corporate strategy, sustainability initiatives and operations. We have performed risk assessments to identify events that can potentially affect our operations and have also put in place several opportunities to further mitigate our exposure to these material risks.

**Transition risks** are business-related risks that follow societal and economic shifts as we transit toward a low-carbon and more climate-friendly future. These risks may include policy and regulatory risks, technological risks, market risks, reputational risks, and legal risks.

**Physical risks** are risks resulting from physical effects of climate change and environmental degradation such as wildfires, storms, and floods.

Below summarises our climate-related risks and opportunities:

### RISKS AND OPPORTUNITIES



## CLIMATE SCENARIO AND ANALYSIS

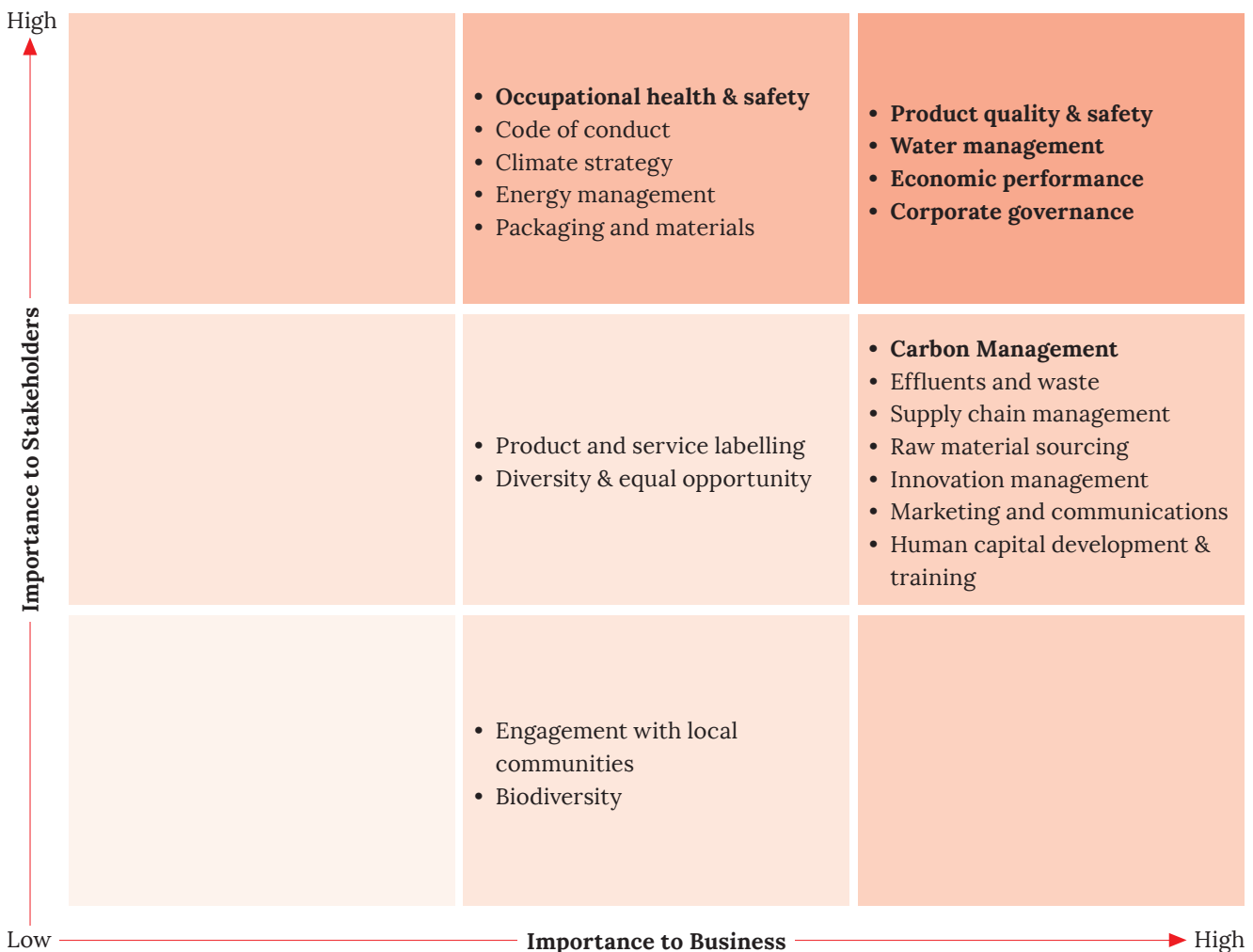
TRANSITION RISKS	GLOBAL TEMPERATURE INCREASE OF 0 TO +2°C
<b>Policy &amp; Legal</b> Action to reduce emission-intensive business activities	<ul style="list-style-type: none"> <li>• Increase of energy cost, e.g. Singapore carbon tax from S\$5/tCO<sub>2</sub>e – S\$80/tCO<sub>2</sub>e by 2030</li> <li>• Increase in regulatory compliance cost</li> </ul>
<b>Technology</b> Development of emerging technology to support low carbon production and economy	<ul style="list-style-type: none"> <li>• Increase in investment on low carbon technology</li> </ul>
<b>Market</b> Shifts in demand and supply as consumers shift to more sustainable products	<ul style="list-style-type: none"> <li>• Large percentage of consumers will prefer more sustainable products and packaging</li> </ul>

## MATERIALITY ASSESSMENT

In our materiality assessment, we have identified 20 ESG topics that are relevant to us. Of all the topics, we have assessed that 6 topics are material to our business based on the significance of the ESG factors; their impact on the business and the degree of influence they have on

stakeholders' decision. The remaining of the ESG topics remain important and we will continue to build on them as part of our sustainability journey.

The 20 ESG topics are presented below with the 6 material topics highlighted in bold print.



## OUR MATERIAL TOPICS

From the 20 ESG topics identified, our 6 shortlisted material topics are the key focus of our sustainability agenda and focus as they are the most relevant to the business. For the remaining 14 topics, we have reassessed the materiality and several of the topics have become more important in the last financial year and we continue to build on them in the upcoming years of our sustainability journey.





## SUSTAINABLE DEVELOPMENT GOALS

The Sustainable Development Goals (“SDGs”) are the blueprint by the United Nations to achieve a better and more sustainable future for all. They address the global challenges we face, including those related to poverty,

inequality, climate change, environmental degradation, peace and justice.

Our material topics are mapped to several SDGs, ensuring that our sustainability efforts are aligned to the broader goals of United Nations.

YEO'S SUSTAINABILITY THRUSTS	RELATED MATERIAL TOPICS	RELATED SDGS	APPROACH
<b>Protecting Our Environment</b>	Water Management	  	<p>We are committed to seek innovative water management solutions – including water saving and recycling initiatives – as part of our overall water stewardship efforts and practices in our production facilities.</p> <p>We have an established system within operations to track and monitor water consumption.</p>
	Carbon Management		<p>We are committed to reduce our carbon footprint and committed to supplement existing energy use with renewable energy sources.</p> <p>We are constantly working with our suppliers to explore carbon reduction of our ingredients and packaging materials.</p>
<b>Caring for Our People</b>	Occupational Health and Safety	 	<p>We place the utmost priority on maintaining a culture of safety amongst all our employees and enforce robust safety policies and practices to mitigate safety risks.</p>
<b>Caring For Our Consumers</b>	Product Quality and Safety	 	<p>In the Food and Beverage business, ensuring the food quality and safety is our top priority, and we have put in place stringent controls on our procurement and manufacturing processes to safeguard product quality and safety.</p>
<b>Leading Our Marketplace</b>	Economic Performance		<p>We believe in creating long term economic value for our investors and further distributing the economic value to other stakeholders including our employees through wages, government through taxes, investors through dividends, suppliers through purchases and communities through corporate social responsibility initiatives.</p>
	Corporate Governance		<p>We maintain a strong corporate governance and control environment in order to operate as a responsible corporate entity with a focus on sustainability.</p> <p>We have zero tolerance for fraud, bribery, corruption and violation of laws and regulations.</p>

## Protecting Our Environment

Yeo's recognises that in the course of conducting our business, our company creates environmental impacts through water, energy, carbon emissions, resource consumption and waste. To reduce our impacts on the environment, our production plants and offices investigate and identify ways to improve our manufacturing processes and optimise eco-efficiency. Throughout FY2023, we have implemented several efficiency improvement projects, and these are elaborated in the following sections.

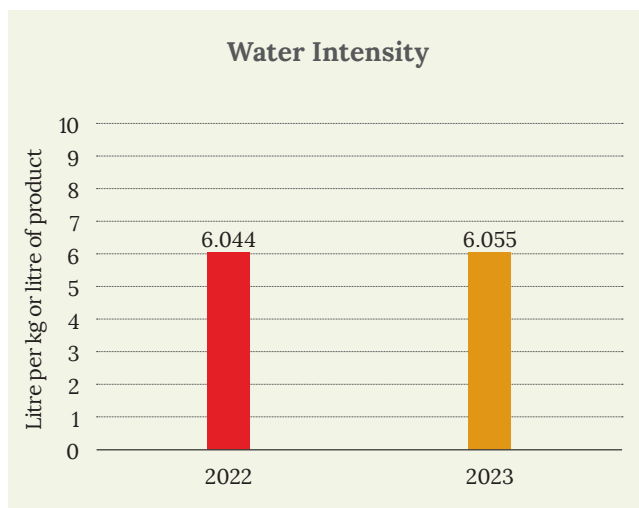
### WATER MANAGEMENT

Water is used both as a vital ingredient for our products, as well as for several production processes such as cleaning and sanitizing in the food and beverage industry. As such, water is an important factor in our manufacturing business, and we constantly seek to achieve more efficient use of water and to innovate in water recycling methods.

### Water Saving and Recycling

Water usage is the highest in the production function in our business and the aggregate production capacity of our Singapore and Malaysia factories constitutes more than 90% of the whole Group's production capacity. We continue to focus our efforts on water saving and recycling initiatives in these two locations to maximise their impact.

We also reduce our water footprint by putting recycled water to alternative uses, such as for our cooling towers and for general cleaning and washing purposes. Our water intensity information is presented below:



Note:

a. FY2022 is the base year for which we report Group water intensity.

Our target for water reduction:

**TARGET**

Reduce water consumption by  
**10%** (per unit of product)  
by Year 2026

### Shah Alam Plant – Condensate Recovery System

In FY2023, we completed the installation of the condensate recovery system in our Shah Alam plant. This is vital to support both the reduction in use of the heavy fuel oil for our boilers and helps to increase water recovery and reduce the volume of water used for the boiler system.



New Condensate Recovery System in Shah Alam Plant

### **Johor Bahru Plant – Hydromatic Cooling Tower**

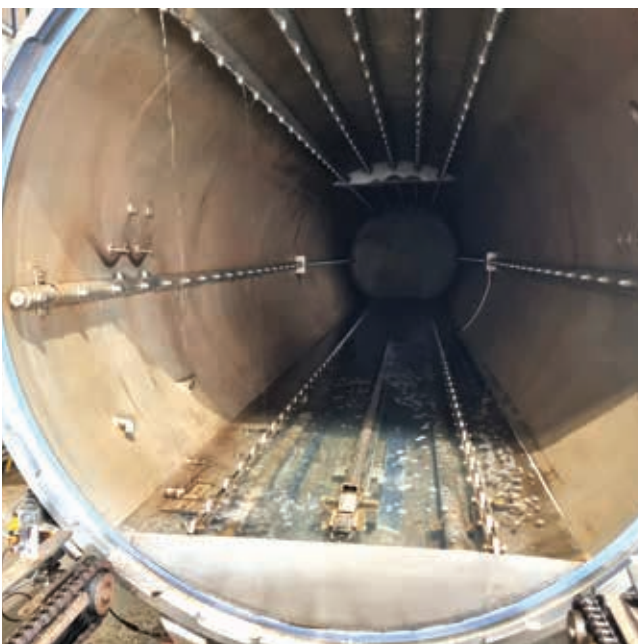
In FY2023, we completed the installation of a new hydromatic cooling tower to replace the previous tower, which had required additional water to maintain the necessary temperate for production.



New Hydromatic Cooling Tower in Johor Bahru Plant

### **Singapore Senoko Plant – Retort Low Energy Suction System (LESS)**

In FY2023, we converted our retort set up in the Singapore plant from a traditional suction design to a LESS setup, which uses a low water level system.



Completion of Retort Low Energy Suction System (LESS) in Singapore Senoko Plant

As a result, 45% less water volume is required to be heated and cooled per process cycle, thus reducing the load on both the boiler and the cooling tower system.

## **Energy And Carbon Management**

### **Optimising Energy Usage**

The use of energy contributes to a large percentage of our carbon emissions and for FY2023, Yeo's has been focusing on areas where we can optimise equipment efficiently. Apart from understanding our equipment performance, we also look at more efficient planning of our production cycles, to ensure that we have longer run cycles and cut down on energy (both electricity and water) to perform the necessary sanitisation and cleaning programmes.

### **Clean-in-Place System in China Guangzhou Plant**

Our focus on planning, production and equipment efficiency is highlighted in our China Guangzhou plant, where we improved the clean-in-place (CIP) cycle time for our products. This helps the plant to reduce steam, electricity and overall energy usage. We also introduced a new rinse water recovery process in our CIP system to further reduce water consumption.



Clean-In-Place System in China Guangzhou Plant

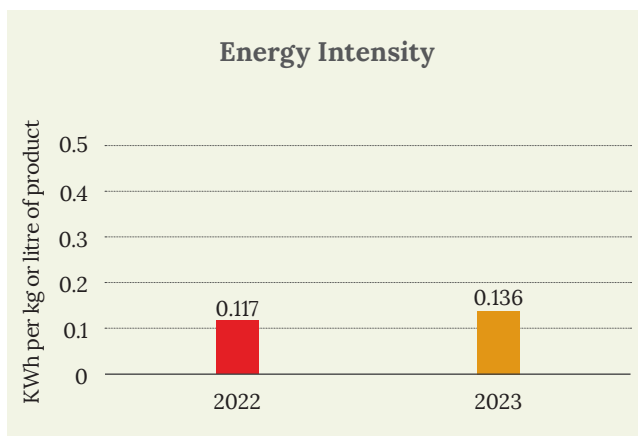
### Use of Energy Efficient Equipment in Johor Bahru Plant

In FY2023, we installed our warehouse and manufacturing facilities in Johor Bahru with LED lights and replaced non-LED lightings in our offices with more efficient LED lights which can further help to reduce energy consumption. Wherever possible, we continue to explore the use of motion sensor LED lights for areas which has less footfall to further reduce electricity consumption.



Installation of LED lights in Johor Bahru Plant

Our energy intensity information is presented below:



Note:  
a. FY2022 is the base year for which we report Group energy intensity.

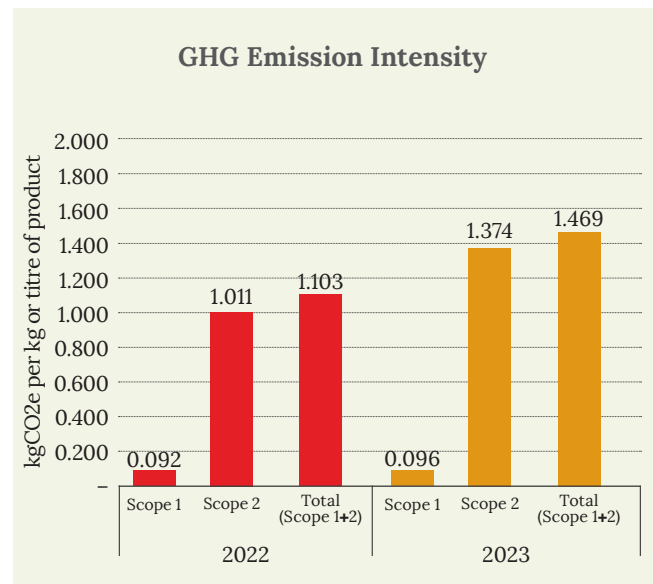
Our target for energy reduction:

**TARGET**  
Reduce energy consumption by **5%** (per unit of product) by Year 2026

### Green House Gases (“GHG”)

As a responsible manufacturer, Yeo’s is committed to reducing GHG emissions. Notwithstanding the inclusion of more renewable energy sources as our intake energy source, we are also exploring other sources of renewable energy to supplement our current source of electrical energy which are largely from incoming gas-fired and coal-fired energy (country-dependent).

The increased use of data in our manufacturing processes allows us to further understand our key energy constraints so that we can put in place the necessary tools to minimise GHG. Our GHG emission intensity is presented below:



Notes:  
a. FY2022 is the base year for our Scope 1 & 2 GHG emissions.  
b. tCO2e calculations are based on the Greenhouse Gas Protocol’s calculation tool.

Our target for emissions reduction:

**TARGET**  
Reduce Scope 1 & 2 emissions by **10%** (per unit of product) by Year 2026

### **China Guangzhou Plant – Solar Photovoltaic Panels**

The solar photovoltaic panels in our China plant in Guangzhou provide a total of 1,280kWp capacity and we have reduced approximately 650 tonnes of CO<sub>2</sub>e in FY2023.

### **Singapore Senoko Plant Solar Photovoltaic Panels**

Singapore's Senoko Plant completed the installation of solar PV panels in FY2023 and the solar PV panels provide a total of 800kWp generating capacity. This helps to reduce energy offtake from the grid by utilising renewable energy for our daily operations and provided a carbon reduction of approximately 210 tonnes of CO<sub>2</sub>e since the installation in FY2023.



Solar Photovoltaic Panels in China Guangzhou Plant

# Caring for Our People

## OUR PEOPLE, OUR GREATEST ASSET

Sustainability is an integral part of our business continuity strategy through our legacy and as manifested in our Core Value. Guided by our Core Value, we consistently prioritize the development of our people, the key to our future success. We value employee engagement as the key to unleashing the full potential of our people with their strong motivation, autonomy and desire to grow. Their dedication, knowledge and performance are key to driving our business and strategies.

We embrace excellence and innovation in our business, where our people work as ONE team. We exhibit honesty and fairness and focus on our staff and customers to earn their loyalty. Pride, passion, hard work and dedication form the overall hallmarks of our people.

Given our diverse and broad markets coverage, we continue to invest in creating an inclusive workplace for everyone from different backgrounds and we nurture workplace diversity in all respects of our business, from recruitment to career development.

Our approach to developing human capital and retaining talent is characterised by our three core principles:

- (i) We adopt fair labour practices and have zero tolerance towards discrimination;
- (ii) We invest in the training and development of our employees to enhance their competencies; and
- (iii) We provide our employees a safe and conducive working environment for them to excel in their respective fields.



## FAIR LABOUR PRACTICES – DIVERSITY AND INCLUSION

At Yeo's, we support a gender-balanced labour force and equal opportunities at all levels in the organisation. We leverage on the diversity and cultural experiences of our people to build strong connections with our customers and communities across the regions, driving innovation and engaging professionally in an increasingly globalised and fast-changing market. We believe in creating a safe and inclusive working environment where we continually develop our people and reward great performance.

Yeo's does not discriminate any applicant based on their age, gender, race, religion or nationality. We are committed to ensuring fair labour practices, diversity and inclusion in all our factories and offices. On gender diversity, given the nature of the work in our industry in

which a substantial portion of our work force are deployed in the manufacturing and supply chain operations, the gender balance tends to weigh stronger on the males.

In Singapore, Yeo's is a member of the Singapore National Employers Federation ("SNEF"), Singapore Manufacturing Federation ("SMF") and the Food, Drinks and Allied Workers Union Singapore ("FDAWU"). In Malaysia, we are associated with the Malaysian Employers Federation ("MEF"), Federation of Malaysian Manufacturers ("FMM"), and Food Industry Employees' Union ("FIEU").

As an active member of unions and associations, Yeo's ensures compliance with applicable laws and regulations and maintains regular dialogues with the various stakeholders to build constructive and harmonious relationships.

## HUMAN CAPITAL DEVELOPMENT AND TRAINING

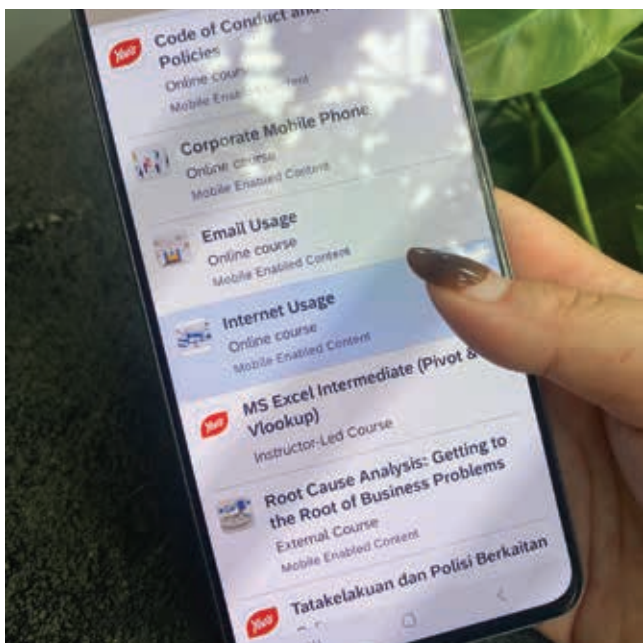
At the core of our business strategy is the commitment to enable our people to be the best they can be. We want to enhance the competencies of our staff and strengthen their capabilities in meeting job requirements, improve work performance and achieve business results.

Our focus is on building future-ready staff and fostering a growth mind-set while empowering all staff to take charge of their learning journey.

We encourage continuous learning to ensure our people keep up with the market-best training practices and also believe that driving capability building around technical and soft skills is key. This includes scheduled classroom learnings, condensed e-learning modules, and on-the-job training (“OJT”).

### Learning Management System (“LMS”) Platform

The launch of LMS marks a new era in Yeo’s longstanding history of learning. LMS plays a pivotal role in our learning journey and has become an essential part of the Group’s commitment to employee development. LMS has been deployed across 8 countries as the primary learning platform for completing e-learning modules, registering for courses, assigning courses, and approving course requests.



LMS Platform – Essential part of our commitment to employee development

Encouraged by this success, we are now gearing up for the next phase of development, aimed at offering more diverse learning options to accommodate various business needs. Our employees will have the freedom to learn at their own pace, anytime, from anywhere, fostering their personal and professional growth. This digital transformation strengthens our capabilities and further prepares us to address future challenges.

### Establishment of Sales Academy

The establishment of the Sales Academy marks a significant step towards equipping our salesforce with the necessary sales-related skills and knowledge. This comprehensive training initiative introduces a set of core modules, purposefully designed to enhance the capabilities of our sales professionals, ensuring their competitiveness and adaptability in the industry. This initiative showcases our unwavering commitment to foster a high-performing salesforce and maintain our team at the forefront of the latest industry developments.



Sales Capability Training for Market Heads in Singapore

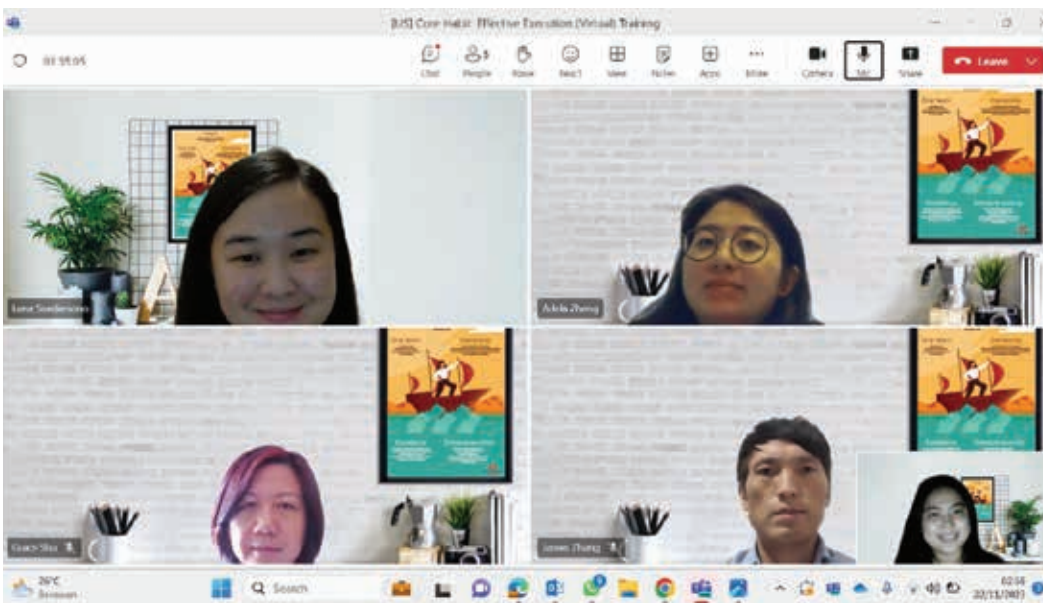
**Yeo's Core Habit: Culture for Executional Excellence**

In FY2023, Yeo's introduced its "Core Habit", complementing the existing Core Values as the primary guiding principles and standards. This significant initiative marks a milestone in our mission to promote

a culture of consistent and effective execution across all levels. The "Core Habit" was introduced and integrated across all markets, inspiring employees to implement further executional and operational excellence.



Core Habit Workshop in Malaysia



Virtual Core Habit Workshop for USA employees



## OCCUPATIONAL HEALTH AND SAFETY

Safety risks are inherent in workplaces and will be relatively higher in manufacturing and supply chain functions where machinery is operated. Maintaining a safe working environment allows our employees to work with peace of mind, improve their work and contribute to the sustainability of our workforce.

Accordingly, we place the utmost priority on maintaining a culture of safety amongst all our employees and enforce robust safety policies and practices to mitigate safety risks.

Throughout FY2023 our employees attended numerous safety-related trainings, seminars, and awareness programmes with the aim to improve the safety culture and awareness of all who work at Yeo's. In addition, Yeo's also recognised and awarded staff who performed well or contributed to workplace safety improvements. The recognition and awards like Safety Champion, Top reporting (by staff) of unsafe condition, contribution of safety improvement ideas helps us to build up Yeo's safety culture and mindset.

Our safety statistics are presented below:

	<b>2023</b>	
	<b>Occupational Health &amp; Safety (EMPLOYEES)</b>	<b>Occupational Health &amp; Safety (NON-EMPLOYEES)</b>
<b>Fatalities</b>		
Number of Cases	0	0
<b>High-consequence injuries</b>		
Number of Cases	0	0
<b>Recordable injuries</b>		
Number of Cases	6	0
<b>Recordable work-related ill health cases</b>		
Number of Cases	0	0

Our target for Occupational Health & Safety:

**TARGET**  
Zero work-related injuries and illnesses

All accident cases are thoroughly reviewed, with root cause analysis (“RCA”) conducted. Respective plants/offices have put in place the necessary corrective and preventive controls and have further conducted necessary safety trainings and briefings on past accidents, to mitigate likelihood of recurrence of similar accidents.

Regular inspections are also carried out at our plants to ensure strict compliance to Occupational Health and Safety regulations. These inspections, coupled with awareness and training sessions during the year, ensure the continued vigilance of our employees on Environment, Health and Safety (“EHS”) matters.

To continuously remind our employees and contractors on work safety, our safety slogan – “All Accidents are Preventable” and “Safety First” – will continue to be displayed in prominent locations in all our factories and offices to promote a culture of “Zero tolerance to workplace injuries and illnesses”.

To continuously monitor and drive safety performance, we hold monthly safety committee meetings to review performance, discuss any violations and propose improvements. These meetings are attended by functional representatives from production, maintenance, warehouse and logistics, human resource, quality assurance and risk management departments.

Our persistence and pursuit of safety excellence are recognised in the marketplace. In Singapore, we continue to be certified bizSAFE Level 3 by Workplace Safety and Health Council. This is a recognition of our strong commitment to workplace health and safety, which also provides our customers with the assurance that we consistently meet stringent safety requirements.

## Caring for Our Consumers

### PRODUCT QUALITY AND SAFETY

At the heart of our food and beverage business, the establishment of safe, healthy and quality products is our top priority. We appreciate the complexities in the food and beverage value chain and the risk of quality mishaps that could potentially occur during the sourcing, manufacturing, storage and delivery of our products. We continue to maintain high standard quality through regular internal process audit, GMP audit and food safety audit to ensure product safety compliance.

### Stringent Controls on Procurement and Manufacturing

We do not compromise on the quality of ingredients that we use for our products. Our ingredients are sourced from responsible suppliers who take the necessary precautions in supplying us good quality and safe-for-consumption ingredients. We ensure raw materials from our suppliers meet our specifications through rigorous testing and qualification audit, which includes and not limited to sensory tests and trial runs. Our direct packaging materials sourced from suppliers also go through equally rigorous testing and validations. We ensure our customers receive our products in uncompromised condition by ensuring we validate and conduct qualifications such as manufacturing line trials and transportation trials, before being used for production runs. As part of our receiving procedures for direct materials and ingredients, we conduct batch samplings and testing to ensure that they meet our quality requirements, specifications as well as the local regulatory food safety standards.

Across all our factories, we enforce stringent quality control in our manufacturing processes, and we have continuously improved our processes and held ourselves to the highest standards of food and beverage production over the years.

We are a member of the Singapore Food Manufacturers' Association ("SFMA") and have voluntarily adopted the best practices as required by the Good Manufacturing Practices ("GMP") certification for the food manufacturing industry. The GMP certification scheme verifies and certifies that Yeo's complies with the basic

manufacturing practices and prerequisites for the implementation of an effective Hazard Analysis and Critical Control Points ("HACCP") food safety programme. This HACCP certification is renewed every 3 years.

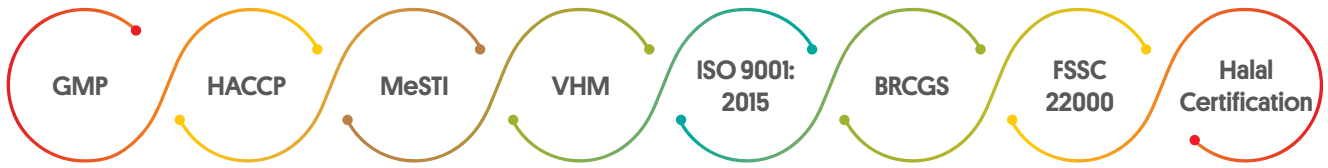
In Malaysia, we hold the Makanan Selamat Tanggungjawab Industri ("MeSTI") certification for compliance with a full spectrum of basic hygiene requirement, which focuses on operation control, hygiene and maintenance, traceability and record keeping. Furthermore, our Shah Alam factory has been approved by the Department of Veterinary Services, Malaysia with Veterinary Health Mark ("VHM") certificate for meat, egg and milk products.

In China, we have a quality management system in place that utilizes international best practices to standardize our processes and system using the ISO 9001:2015 standard to ensure consistently produce products and services that meet and exceed consumer's expectations.

As a copacker for Oatly in Singapore, we achieved the highest level in food safety pyramid with Global Food Safety Initiative ("GFSI") recognised schemes and our Oatly lines in Singapore are British Retail Consortium Global Standards ("BRCGS") certified.

We demonstrated a strong commitment to food safety and quality by successfully transitioning our Ipoh, Cambodia, and China plants from HACCP certification to FSSC 22000 certification in 2023. FSSC 22000 is a food safety management system standard recognised by GFSI. GFSI benchmarks existing food safety standards and sets criteria for certification programs to ensure they meet internationally recognised requirements.

Separately, we also provide the necessary training and enforce checking to maintain the Halal certifications in our factories. There are different Halal certification agencies and authorities in different countries, and it is important to meet their specific requirements and understand the acceptance of these certifications in different markets. We have successfully obtained the Cambodia Halal certificate and are the first company in Cambodia to possess the Indonesia Halal certification in 2023.



When it comes to the quality and safety of our products, we spare no efforts in ensuring that they are safe for consumption. With our constant focus on product quality and safety, the Group has zero product recalls in 2023.

Our statistics for food recall:

	<b>2023</b>
<b>Food Recall</b>	
<b>Number of Product recall incidents</b>	0 (since 2017)

Our target for food recall:

**TARGET**

Zero incidents of product trade recall due to safety issues for YHS' manufactured products

## World Food Safety Day: Inaugural Event Launch Across All Manufacturing Plants

In an occasion that marks our commitment to food safety, Yeo's successfully completed our first-ever event commemorating World Food Safety Day across all our manufacturing plants in June 2023.

With the support of the World Health Organisation (WHO), World Food Safety Day was established by the United Nations General Assembly in 2018 to raise awareness for food safety. Everyone has a role to play, from farm to table, to ensure the food we consume is safe and will not cause harm to our health.

The inaugural celebration in Yeo's witnessed enthusiastic participation from employees at all levels, emphasising the importance of food safety as a shared responsibility. Various engaging activities, including food safety awareness talks, a video contest, a drawing contest, and food safety quizzes were conducted to raise awareness about the critical role each team member plays in maintaining the integrity of our products.



Global teams celebrating World Food Safety Day in June 2023

## Producing High Quality and Healthy Products

With a rich history of more than 120 years in food and beverage manufacturing, Yeo's pride ourselves as a brand with purpose, nourishing every home with natural goodness across generations.

While food safety and great taste are important pillars of our product quality, we also strive to deliver key attributes of quality with better health proposition in terms of functional benefits, natural ingredients and lowered sugar or calories. Our goal is to stay at the forefront of our competition, and inject newness and innovations in our product development, while satisfying the taste buds of our consumers.

We work closely with government agencies in Singapore and Malaysia to support the nationwide drives to encourage healthier living and adopting sensible food habits by reducing daily sugar consumption. We have partnered with the Health Promotion Board ("HPB") in Singapore to ensure 100% of our beverage products meet <5% sugar content in 2023.

Likewise, in Malaysia, we have reformulated all Yeo's beverages sold in Malaysia to below 5 grams of sugar per 100 milliliters in support of the government's initiative to raise public awareness and education to fight obesity and encourage healthy living amongst Malaysians.

We are constantly reformulating our recipe to reduce the sugar content and improve nutritional value while maintaining the great taste in our products so that our consumers can continue to enjoy the drinking experience while pursuing healthier lifestyles.

Yeo's will continue to stay relevant and serve to nourish every generation of consumers with our products, delighting our consumers with more delicious and healthier offerings to grow our brand proposition across the regions.

# Leading Our Marketplace

## ECONOMIC PERFORMANCE

We believe in creating long term economic value for our investors and further distributing the economic value to other stakeholders including our employees through wages, government through taxes, investors through dividends, suppliers through purchases, and communities through corporate social responsibility initiatives.

We strive to improve our economic performance and play a larger role in the development and well-being of our stakeholders.

Our economic value generated and distributed in 2023 (in S\$'000) is as shown.



Further details of the Group's economic performance can be found in the Financial Statements section of the 2023 Annual Report.

## CORPORATE SOCIAL RESPONSIBILITY

Yeo's believes it is our responsibility and privilege to serve the communities we operate in, and we are committed to distributing part of the economic value we generate back to the communities. As part of our staff engagement initiatives, we actively involve our people through volunteerism in our corporate social responsibility ("CSR") projects and we encourage our people to participate in at least one community engagement event organised by or supported by the Group.

In 2023, our employees globally volunteered for various initiatives and below are some CSR events and activities that were undertaken.

## MALAYSIA

### Going Green

As part of our "Go Green Program", Yeo's Malaysia team gathered and volunteered for litter picking on the mountains of Gunung Pulai, Johor. This initiative not only embodied our focus on environmental stewardship, but also strengthened our sense of camaraderie and unity, showcasing Yeo's Core Value of "One Team".

Recognising the need to protect our natural heritage, we strive to restore and sustain a cleaner and healthier environment where nature thrives, and future generations can cherish the beauty of our surroundings.



Yeo's at Gunung Pulai, Johor, as part of our Go Green program

### Collaboration with Guardian Angels Home

In collaboration with Guardian Angels Home, an organisation devoted to providing a safe and nurturing environment for underprivileged children, Yeo's Malaysia team had the wonderful experience of spending a memorable, heartwarming day with 13 children. It was more than just a day of fun; it was also an opportunity to make a meaningful difference in the lives of these incredible young minds.

This initiative exemplifies our dedication to social responsibility and community engagement. It is not just about corporate success; it is also about contributing to the well-being of our community and creating a brighter future together.



Yeo's in collaboration with Guardian Angels Home



## SINGAPORE

### Plant Tour for Children's Aid Society

Yeo's Singapore team had the opportunity to organise a plant tour for a group of 17 enthusiastic youths, in collaboration with Children's Aid Society.



Yeo's in collaboration with Children's Aid Society

The youths enjoyed an immersive learning experience with our production teams, who walked them through the meticulous processes of crafting, packaging and storing Yeo's beverages. To make the experience more engaging, the youths also experimented with the creation of flavoured boba with our R&D team.



USA

### Thanksgiving Volunteer Day and Food Drive

In the USA, Yeo's employees partnered with a variety of local organisations to give back to communities in need by providing nutritious beverages and care packages.



Yeo's giving back as part of Thanksgiving

## INDONESIA

### Appreciation for War Veterans

It is important to remember the past and sacrifice others have made to create a peaceful and prosperous society. To express our appreciation and pay tribute to

the war veterans of Indonesia, Yeo's collaborated with Alfamart, one of the biggest convenience store chains in the country, to drive a donation program that provided financial assistance and basic necessities. This initiative helped 150 veterans and was covered by various media outlets in the country.



Widespread media coverage over Yeo's initiative for war veterans

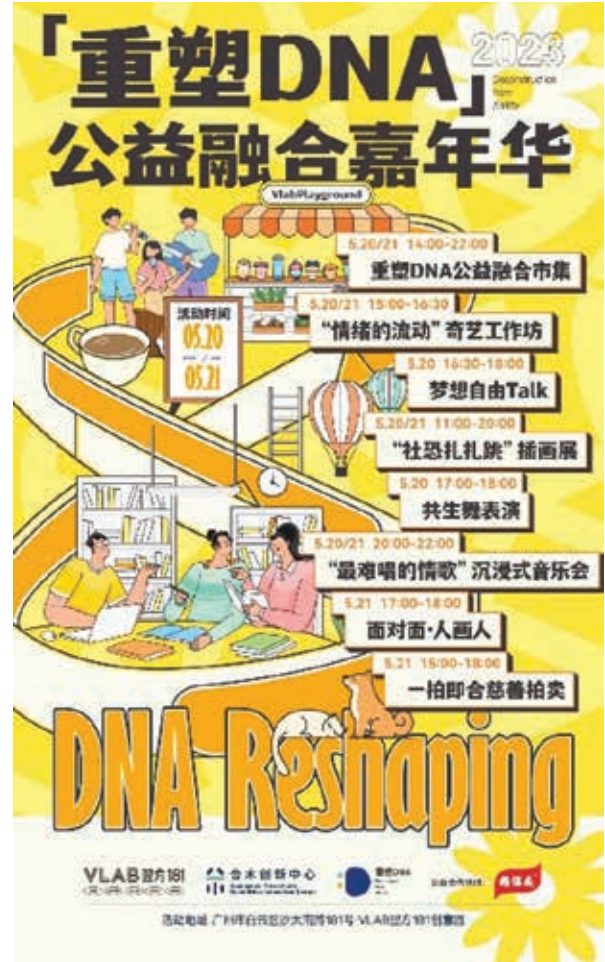
CHINA

Raising Awareness for the Disabled

Our Yeo's China team had the opportunity to partner with various organisations and raise awareness for the disabled. Our events were recognised by over 200,000 visitors (through online and offline channels) and were helpful in building deeper connections with the organisations and local communities.



Yeo's raising awareness for the disabled



Football Day with Underprivileged Children

Together with various coffee drink enterprises and a charitable foundation, Yeo's organised a family football day for over 60 underprivileged children in Guangzhou. A total of 30 cartons of Yeo's beverages were distributed as part of this event and we received the attention of 500,000 visitors (through online and offline channels).



Yeo's playing football with underprivileged children



## CAMBODIA

### Children's Fund Donation Event

In June 2023, Yeo's Cambodia team contributed 200 cartons of Yeo's beverages during a Cambodian Children's Fund donation event for underprivileged children. Our colleagues were also present to engage and interact with the children.

Moving forward, we will continue to do more to serve the communities we operate in either through volunteering or contributing in the form of donations. We also hope to further nurture our employees to become caring individuals who will contribute actively back to society.



Yeo's donation drive for the Cambodian Children's Fund

Our target for Economic Performance:

**TARGET**

Commit 1,000 hours per year to volunteerism, advocacy, education and community campaigns; or S\$200,000 contribution in the form of donations

Our statistics for economic performance:

	<b>2023</b>
<b>Number of volunteer hours</b>	1,000
<b>Amount of donations, cash or in-kind</b>	~\$126,000

## CORPORATE GOVERNANCE

As a good and responsible corporate citizen, Yeo's operates its business with a strong emphasis on sustainability and under established and compliant corporate governance practices. For more than ten years, Yeo's has been disclosing our corporate governance practices as well as principles in our Report on Corporate Governance, and continuously seeks to enhance the transparency and robustness of our governance practices and controls.

The Group has an established system of risk management and internal controls to safeguard our shareholders' interests and the Group's assets. The Board has primary responsibility over the governance of risk, with oversight from the Audit & Risk Committee to ensure that the risk management system and internal controls are properly designed, implemented and closely monitored for adequacy and effectiveness.

The Group has in place policies on Code of Conduct and Whistleblowing and complies with SGX mainboard rules on Dealing in Securities to mitigate the risks of fraud, corruption and misconduct involving employees. In line with one of our core values, namely Integrity, we also

have a zero-tolerance policy for corruption and fraud, which applies not only to corrupt business practices, but also extends to fraudulent financial reporting as well as sustainability reporting.

In FY2023, Yeo's won the Bronze award under the "Best Investor Relations" category of the 2023 Singapore Corporate Awards, for companies with S\$300 million to less than S\$1 billion in market capitalisation. The Singapore Corporate Awards are organised by the Institute of Singapore Chartered Accountants, Singapore Institute of Directors, The Business Times, and supported by the Accounting and Corporate Regulatory Authority and SGX. The award recognises and honours SGX-listed companies which, through their corporate practices, have helped to raise Singapore's corporate disclosure standards and corporate governance.

For more information on the Group's corporate governance framework and policies, please refer to the Corporate Governance Report included in the Annual Report.

Our target for Corporate Governance:

**TARGET**

Zero incidents of corruption

Our statistics for corporate governance:

	<b>2023</b>
<b>Number of confirmed incidents of corruption</b>	0

## GRI Content Index

Disclosure Number	Disclosure Title	Page Reference
<b>GRI 2: General Disclosures 2021</b>		
<b>1. The Organisation and its reporting practices</b>		
2-1	Organisational details	FS - General Information
2-2	Entities included in the organisation's sustainability reporting	FS - Listing of significant companies in the group
2-3	Reporting period, Frequency and contact point	SR 2023
2-4	Restatements of information	N/A
2-5	External assurance	N/A
<b>2. Activities and workers</b>		
2-6	Activities, value chain and other business relationships	FS - Segment information
2-7	Employees	SR - Caring for our people
2-8	Workers who are not employees	N/A
<b>3. Governance</b>		
2-9	Governance structure and composition	SR - Sustainability management
2-10	Nomination and selection of the highest governance body	SR - Sustainability management
2-11	Chair of the highest governance body	SR - Sustainability management
2-12	Role of the highest governance body in overseeing the management of impacts	SR - Sustainability management
2-13	Delegation of responsibility for managing impacts	SR - Sustainability management
2-14	Role of the highest governance body in sustainability reporting	SR - Sustainability management
2-15	Conflicts of interest	SR - Sustainability management
2-16	Communication of critical concerns	SR - Stakeholder engagement
2-17	Collective knowledge of the highest governance body	SR - Sustainability management
2-18	Evaluation of the performance of the highest governance body	SR - Sustainability management
2-19	Remuneration policies	SR - Sustainability management
2-20	Process to determine remuneration	CG - Remuneration Matters
2-21	Annual total compensation ratio	CG - Remuneration Matters

<b>4. Strategy, policies and practices</b>		
2-22	Statement on sustainability development strategy	SR - Sustainability at the forefront
2-23	Policy commitments	SR - Sustainability management
2-24	Embedding policy commitments	SR - Sustainability management
2-25	Processes to remediate negative impacts	SR - Corporate Governance
2-26	Mechanisms for seeking advice and raising concerns	SR - Corporate Governance
2-27	Compliance with laws and regulations	SR - Corporate Governance
2-28	Membership associations	SR - Caring for our people, Caring for our consumers
<b>5. Stakeholder engagement</b>		
2-29	Approach to stakeholder engagement	SR - Stakeholder engagement
2-30	Collective bargaining agreements	SR - Caring for our people
<b>GRI 3: Material Topics 2021</b>		
<b>Disclosures on material topics</b>		
3-1	Process to determine material topics	SR - Materiality assessment
3-2	List of material topics	SR - Materiality assessment
3-3	Management of material topics	SR - Protecting our environment SR - Caring for our people SR - Caring for our consumers SR - Leading our marketplace

FS: Financial Statement 2023  
SR: Sustainability Report 2023  
CG: Corporate Governance Report 2023



## PERFORMANCE SUMMARY

### 1. Environmental

Topic	Metric	Framework Alignment	Unit	FY2023
Greenhouse Gas Emissions ("GHG")	<b>Absolute emissions by:</b>	GRI 305-1, GRI 305-2, GRI 305-3, TCFD, SASB 110, WEF core metrics		
	(a) Total emissions		tCO <sub>2</sub> e	344,162
	(b) Scope 1		tCO <sub>2</sub> e	22,438
	(c) Scope 2		tCO <sub>2</sub> e	321,724
	(d) Scope 3, if appropriate	NA	NA	NA
	<b>Emission intensities by:</b>	GRI 305-4, TCFD, SASB 110	tCO <sub>2</sub> e per MegaLitre/kilo tonne of product	
	(a) Total emissions intensity			1,469.40
	(b) Scope 1,			95.80
	(c) Scope 2;			1,373.6
	(d) Scope 3, if appropriate	NA	NA	NA
Energy Consumption	Total energy consumption	GRI 302-1, TCFD, SASB 130	MW <sub>h</sub> s	32,054
	Energy consumption intensity	GRI 302-3, TCFD	kwh per kg/litre of product	0.136
Water Consumption	Total water consumption	GRI 303-5, SASB 140, TCFD, WEF core metrics	ML	1,420
	Water consumption intensity	TCFD, SASB IF-RE-140a.1	Litre per kg/litre of product	6.055
Waste Generation	<b>Total waste generated:</b>	GRI 306-3, SASB 150, TCFD, WEF expanded metrics	tonnes	
	(a) Non-Hazardous			7,641.69
	(b) Hazardous			63.98

## 2. Social

Topic	Metric	Framework Alignment	Unit	FY2023	
Gender Diversity	<b>Current employees by gender:</b>	GRI 405-1, SASB 330, WEF core metrics	Percentage (%)		
	(a) Male			68.78	
	(b) Female			31.22	
	<b>New hires by gender:</b>	GRI 401-1, WEF core metrics			
	(a) Male			65.39	
	(b) Female			34.61	
	<b>Turnover by gender:</b>				
	(a) Male			67.52	
	(b) Female			32.48	
Age-Based Diversity	<b>Current employees by age groups:</b>	GRI 405-1, WEF core metrics	Percentage (%)		
	(a) under 30 years old			21.96	
	(b) 30-50 years old			60.92	
	(c) over 50 years old			17.12	
	<b>New hires by age groups:</b>	GRI 401-1, WEF core metrics			
	(a) under 30 years old			46.06	
	(b) 30-50 years old			46.56	
	(c) over 50 years old			7.38	
	<b>Employee turnover by age groups:</b>			Percentage (%)	
	(a) under 30 years old				33.76
	(b) 30-50 years old				55.24
(c) over 50 years old	11				
Employment	Total turnover	GRI 401-1, SASB 310, WEF core metrics	Number	391	
	Rate of turnover		Percentage (%)	22.77	
	Total number of employees	GRI 2-7	Number	1,717	
Development & Training	<b>Average training hours per employee</b>	GRI 404-1, WEF core metrics	Hours/No. of employees	25.09	
	<b>Average training hours per employee by gender:</b>	GRI 404-1, WEF core metrics	Hours/No. of employees		
	(a) Male			23.85	
	(b) Female			27.82	

## 2. Social

Topic	Metric	Framework Alignment	Unit	FY2023
Occupational Health & Safety (EMPLOYEES)	<b>Fatalities</b>	GRI 403-9, WEF core metrics, MOM (Singapore), SASB 320		
	Number of Cases		Number of cases	0
	<b>High-consequence injuries</b>	GRI 403-9, WEF core metrics, MOM (Singapore)		
	Number of Cases		Number of cases	0
	<b>Recordable injuries</b>	GRI 403-9, WEF core metrics, MOM (Singapore), SASB 320		
	Number of Cases		Number of cases	6
	<b>Recordable work-related ill health cases</b>	GRI 403-10, WEF expanded metrics, MOM (Singapore)		
Number of Cases	Number of cases		0	
Occupational Health & Safety (NON-EMPLOYEES)	<b>Fatalities</b>	GRI 403-9, WEF core metrics, MOM (Singapore), SASB 320		
	Number of Cases		Number of cases	0
	<b>High-consequence injuries</b>	GRI 403-9, WEF core metrics, MOM (Singapore)		
	Number of Cases		Number of cases	0
	<b>Recordable injuries</b>	GRI 403-9, WEF core metrics, MOM (Singapore), SASB 320		
	Number of Cases		Number of cases	0
	<b>Recordable work-related ill health cases</b>	GRI 403-10, WEF expanded metrics, MOM (Singapore)		
Number of Cases	Number of cases		0	

3. Governance

Topic	Metric	Framework Alignment	Unit	FY2023
Board Composition	Board Members	GRI 2-9, WEF core metrics	Percentage (%)	
	(a) Independent			66.67
	(b) Non-Independent			33.33
Management Diversity	Women on the board	GRI 2-9, GRI 405-1, WEF core metrics	Percentage (%)	33.33
	Women in the management team		Percentage (%)	14
Ethical Behaviour	(a) Total Number of Operations assessed for corruption risks	GRI 2-9, GRI 405-1, WEF core metrics, SASB 330	Discussion and number of standards	Refer to section on risk management and control systems in AR
	(b) Significant risk identified through risk assessment			
	<b>Total number and percentage of governance body members that the organisation's anti-corruption policies and procedures have been communicated to:</b>	GRI 205-1, GRI 205-2 and GRI 205-3		
	(a) Total Number		Number	6 (Singapore) 2 (Hong Kong) 1 (Malaysia)
	(b) Percentage		%	100
	<b>Total number and percentage of employees that the organisation's anti-corruption policies and procedures have been communicated to:</b>			
	(a) Total Number		Number	1,693
	(b) Percentage		%	98.6
	<b>Total number and percentage of business partners that the organisation's anti-corruption policies and procedures have been communicated to</b>			
	(a) Total Number		Number	688 (Malaysia) 305 (Singapore) 178 (Cambodia) 139 (China)
(b) Percentage	%		100	

3. Governance

Topic	Metric	Framework Alignment	Unit	FY2023
Ethical Behaviour	<b>Total number and percentage of governance body members that have received training on anti-corruption</b>	GRI 205-2, WEF core metrics		
	(a) Total Number		Number	4
	(b) Percentage		%	44.44
	<b>Total number and percentage of employees that received anti-corruption training</b>			
	(a) Total number		Number	1,693
	(b) Percentage		%	98.6
	(c) Number & Nature of confirmed incidents of corruption	GRI 205-3	Number	0
	(d) Total number of confirmed incidents in which employees were dismissed or disciplined for corruption			0
	(e) Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption			0
	(f) Public legal cases regarding corruption brought against the organisation or its employees during the reporting period and the outcomes of such cases			0
<b>Certifications</b>	List of relevant certifications	Commonly reported metric by SGX issuers	List	Nil
<b>Alignment with Frameworks</b>	Alignment with frameworks and disclosure practices	SGX-ST Listing Rules (Mainboard) 711A and 711B, Practice Note 7.6; SGX-ST Listing Rules (Catalist) 711A and 711B, Practice Note 7F	-	In accordance with TCFD, with reference to GRI
<b>Assurance</b>	Assurance of sustainability report	GRI 2-5, SGX-ST Listing Rules (Mainboard) 711A and 711B, Practice Note 7.6; SGX-ST Listing Rules (Catalist) 711A and 711B, Practice Note 7F	-	Internal Assurance

## INTERNAL ASSURANCE

Group Internal Audit conducts internal audit reviews in accordance with the International Standards for the Professional Practice of Internal Auditing issued by The Institute of Internal Auditors. Group Internal Audit has incorporated sustainability reporting into its audit cycle, which may span one or a few years in accordance with risk-based planning, as approved by the Audit and Risk Committee. The internal assurance review focuses on the design of and compliance with policies, processes and internal controls to ensure the quality of data produced.

## ABOUT THIS REPORT

Unless otherwise stated, the information represents that of the Group.

## FINANCIAL STATEMENTS

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- 109 Notes to the Financial Statements



# DIRECTORS' STATEMENT

## For The Financial Year Ended 31 December 2023

The directors present their statement to the members together with the audited financial statements of the Group for the financial year ended 31 December 2023 and the balance sheet of the Company as at 31 December 2023.

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 103 to 180 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 December 2023 and of the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements in accordance with the provisions of the Companies Act 1967 and Singapore Financial Reporting Standards (International); and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

### Directors

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

Ng Win Kong Daryl

Na Wu Beng

(Appointed on 15 June 2023)

Luo Dan

Dr Lim Su Lin

Goi Lang Ling Laureen

Mohamad Halim Bin Merican

Jonathan James Yong Ze Ng

Ong Kay Eng

Leung Yu Hin Eugene

Edward Averrill Ng Yong Sheng

(Served as Alternate Director to Jonathan James Yong Ze Ng from 19 May 2023 to 29 February 2024.

Appointed as Director on 1 March 2024)

Sitoh Yih Pin

(Retired on 28 April 2023)

William Peter Adamopoulos

(Retired on 28 April 2023)

### Arrangements to enable directors to acquire shares and debentures

Except as disclosed under the "Yeo Hiap Seng Limited Share Incentive Plan" section of this statement, 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 director's interests in the ordinary shares and convertible securities of the Company as at 21 January 2024 were the same as those as at 31 December 2023.



# DIRECTORS' STATEMENT

For The Financial Year Ended 31 December 2023

## Share incentive plan

### *Yeo Hiap Seng Limited Share Incentive Plan*

The Yeo Hiap Seng Limited Share Incentive Plan (the "Plan") was approved and adopted by the members of the Company at an Annual General Meeting held on 29 April 2021. The Remuneration Committee has been designated as the committee ("Committee") responsible for the administration of the Plan. The Committee comprises Ms Luo Dan, Ms Goi Lang Ling Laureen, Mr Leung Yu Hin Eugene and Mr Na Wu Beng.

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) Group employees who hold such rank as may be designated by the Committee from time to time, (ii) non-executive directors who, in the opinion of the Committee, have contributed or will contribute to the success of the Group; and (iii) associated company employees who hold such rank as may be designated by the Committee from time to time and who, in the opinion of the Committee, have contributed or will contribute to the success of the Group. 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 and subsidiary holdings) on the day preceding that date. Unless earlier terminated or extended with the approval of the shareholders 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 exercise price per share applicable to the option. The exercise 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. The maximum discount which may be given in respect of that Option shall not exceed 20% of the exercise price in respect of that option.

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 rank, job performance, years of service and potential for future development and his contribution to the success and development of the Group.

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.

There was no grant of awards made pursuant to the Plan in 2023.

# DIRECTORS' STATEMENT

For The Financial Year Ended 31 December 2023

## Share options

During the financial year, there were:

- (i) No options granted by the Company or its subsidiaries corporations to any person to take up unissued shares in the Company or its subsidiaries;
- (ii) No shares issued by virtue of any exercise of option to take up unissued shares of the Company or its subsidiaries; and
- (iii) As at the end of the financial year, there were no unissued shares of the Company or its subsidiaries under options.

## Audit and Risk Committee

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

Ong Kay Eng (Chairman)  
Goi Lang Ling Laureen  
Mohamad Halim Bin Merican  
Leung Yu Hin Eugene  
Luo Dan

All members of the Audit and Risk Committee were non-executive directors. Except for Leung Yu Hin Eugene who was a non-independent director, all members were independent.

The Audit and Risk Committee carried out its functions in accordance with Section 201B(5) of the Companies Act 1967, 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 2023, and the Independent Auditors' Report thereon. The Audit and Risk 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 and Risk Committee has, inter alia 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 independent 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 auditors;
- (vi) the review of independent auditors' 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 and Risk Committee's opinion, should be brought to the attention of the Board.

# DIRECTORS' STATEMENT

For The Financial Year Ended 31 December 2023

## **Audit and Risk Committee** (Continued)

The Audit and Risk Committee has reviewed the non-audit services provided by the independent auditors, KPMG LLP; is satisfied with the independence and objectivity of the independent auditors and has recommended to the Board that KPMG LLP be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

## **Independent auditors**

The independent auditors, KPMG LLP, have expressed their willingness to accept re-appointment.

On behalf of the Board of Directors

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NG WIN KONG DARYL  
Director

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ONG KAY ENG  
Director

18 March 2024

# INDEPENDENT AUDITORS' REPORT

## To The Members Of Yeo Hiap Seng Limited

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Yeo Hiap Seng Limited (the "Company") and its subsidiaries (the "Group") which comprise the consolidated balance sheet of the Group and the balance sheet of the Company as at 31 December 2023, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including a summary of material accounting policy information, as set out on pages 103 to 180.

In our opinion, the accompanying consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2023 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

#### Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the financial statements" section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

# INDEPENDENT AUDITORS' REPORT

## To The Members Of Yeo Hiap Seng Limited

### Impairment testing of Property, Plant and Equipment and Intangible Assets

Refer to notes 2.5, 2.7, 20 and 22 to the financial statements

The key audit matter	How the matter was addressed in our audit
<p>During the financial year, the Group reversed impairment of property, plant and equipment (PPE) amounting to \$0.2 million (2022: Nil). The carrying amounts of the Group's PPE and intangible assets (IA) were \$203.5 million (2022: \$217.3 million) and \$4.2 million (2022: \$4.4 million) respectively, which represents 31.4% (2022: 33.0%) and 0.6% (2022: 0.7%) of the Group's total assets as at 31 December 2023 respectively.</p>	<p>Our procedures in relation to management's impairment assessment of each CGU to which the PPE and IA relate to among others:</p>
<p>During the financial year, certain entities within the group are in loss making positions. Management found this to represent an impairment indicator on the PPE and IA. When there are indicators of impairment noted in a business segment or cash generating units (CGUs), the Group will perform an impairment assessment by estimating the recoverable amount of the PPE and IA based on the higher of the value-in-use (VIU) and the fair value less costs to sell. The VIU is the discounted future cash flows expected to be generated from the business segment. The discounted future cash flows is derived from profit forecasts which include key assumptions such as sales growth rates and gross profit margins for the forecast period, and discount rate.</p>	<ul style="list-style-type: none"><li>• Reviewed management's assessment of existence of impairment indicators, which among others, include observable indicators that the asset's value has declined, any adverse economic effects on the CGU and evidence of obsolescence;</li><li>• Evaluated management's computation and assumptions used in determining the recoverable amount of the CGU, including projected revenue growth rates, projected gross profit margin, and discount rate. The recoverable amount was determined based on the higher of its fair value less costs of disposal or value-in-use (VIU) which is based on a discounted cash flow (DCF) model;</li><li>• Assessed the reasonableness of management's assumptions made in the DCF model by comparing the parameters in the DCF model against available market data and historical performance of the CGUs;</li><li>• Performed sensitivity analysis on the DCF model; and</li><li>• Reviewed the adequacy of disclosures included in the financial statements.</li></ul>
<p>The impairment assessment and the estimation of the recoverable amount based on the discounted future cash flows is subjective and involves management's judgements. The assessment of these judgements is a key focus area of our audit.</p>	<p><b>Our findings:</b></p> <p>We found management's process of assessing for impairment indicators to be appropriate and key assumptions applied and estimates used to determine the recoverable amounts to be balanced.</p>

# INDEPENDENT AUDITORS' REPORT

## To The Members Of Yeo Hiap Seng Limited

### *Other information*

Management is responsible for the other information. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon. We have obtained all other information prior to the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### *Responsibilities of management and directors for the financial statements*

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

### *Auditors' responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

# INDEPENDENT AUDITORS' REPORT

## To The Members Of Yeo Hiap Seng Limited

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

# INDEPENDENT AUDITORS' REPORT

To The Members Of Yeo Hiap Seng Limited

## Report on Other Legal and Regulatory Requirements

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

The engagement partner on the audit resulting in this independent auditors' report is Tan Khai Boon.

### **KPMG LLP**

Public Accountants and  
Chartered Accountants

### **Singapore**

18 March 2024



# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For The Financial Year Ended 31 December 2023

	Note	2023 \$'000	2022 \$'000
Revenue	4	332,742	358,076
Cost of sales		(224,741)	(250,671)
Gross profit		108,001	107,405
Other income	5	19,212	12,841
Other gains and losses	6		
– Other gains		8,061	2,823
– Other losses		(2,918)	(658)
Expenses			
– Marketing and distribution		(81,231)	(80,201)
– Administrative		(38,331)	(35,550)
– Finance		(766)	(589)
Share of profit of associated companies and a joint venture		338	203
Profit before income tax		12,366	6,274
Income tax expense	9	(5,659)	(3,886)
<b>Net profit attributable to equity holders of the Company</b>		<b>6,707</b>	<b>2,388</b>
<b>Other comprehensive losses</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Currency translation differences arising from consolidation			
– Losses		(13,260)	(15,054)
		<b>(13,260)</b>	<b>(15,054)</b>
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Revaluation of property, plant and equipment	29b(i)	–	2,477
Fair value losses on financial assets, at fair value through other comprehensive income		(6,144)	(292)
Remeasurements of defined benefit plans	26	(127)	(3)
<b>Other comprehensive losses, net of tax</b>	9	<b>(19,531)</b>	<b>(12,872)</b>
<b>Total comprehensive losses attributable to equity holders of the Company</b>		<b>(12,824)</b>	<b>(10,484)</b>
<b>Earnings per share attributable to equity holders of the Company (expressed in cents per share)</b>			
– Basic and diluted	10	1.10	0.40

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

# BALANCE SHEETS

As At 31 December 2023

	Note	The Group		The Company	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	11	64,141	215,119	7,764	8,851
Other financial assets	14	175,979	–	16,643	–
Trade and other receivables	12	63,591	66,384	69,933	70,422
Inventories	13	53,836	61,339	–	–
Current income tax recoverable	9	1,070	763	–	–
		<b>358,617</b>	343,605	<b>94,340</b>	79,273
<b>Non-current assets</b>					
Trade and other receivables	12	2,736	4,540	2,287	3,679
Other financial assets	14	16,665	24,467	–	–
Loans to subsidiaries	15	–	–	44,618	44,618
Investments in associated companies	16	4,867	5,281	–	–
Investment in a joint venture	17	35	614	–	–
Investments in subsidiaries	18	–	–	317,758	322,758
Investment properties	19	53,702	54,143	81,733	80,295
Property, plant and equipment	20	203,502	217,271	1,280	1,574
Intangible assets	22	4,154	4,427	–	–
Deferred income tax assets	23	3,003	3,531	–	–
		<b>288,664</b>	314,274	<b>447,676</b>	452,924
<b>Total assets</b>		<b>647,281</b>	657,879	<b>542,016</b>	532,197
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables	24	62,609	58,982	3,935	2,674
Current income tax liabilities	9	1,316	1,812	145	–
Lease liabilities	25	1,939	1,619	303	280
		<b>65,864</b>	62,413	<b>4,383</b>	2,954
<b>Non-current liabilities</b>					
Lease liabilities	25	15,272	15,868	13,430	13,015
Provisions for other liabilities and charges	26	1,895	2,014	–	–
Deferred income tax liabilities	23	7,318	6,157	1,637	377
		<b>24,485</b>	24,039	<b>15,067</b>	13,392
<b>Total liabilities</b>		<b>90,349</b>	86,452	<b>19,450</b>	16,346
<b>NET ASSETS</b>		<b>556,932</b>	571,427	<b>522,566</b>	515,851
<b>EQUITY</b>					
<b>Capital and reserves attributable to equity holders of the Company</b>					
Share capital	27	258,342	247,955	258,342	247,955
Capital reserve	28	6,066	6,066	–	–
Other reserves	29	(78,111)	(58,707)	–	–
Retained profits		370,635	376,113	264,224	267,896
<b>Total equity</b>		<b>556,932</b>	571,427	<b>522,566</b>	515,851

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

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Financial Year Ended 31 December 2023

	Share capital	Capital reserve	Property revaluation reserve	Fair value reserve	Foreign currency translation reserve	General reserve	Retained profits	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2023</b>								
<b>Balance at 1 January 2023</b>	247,955	6,066	5,690	(2,015)	(23,964)	(38,418)	376,113	571,427
Profit for the year	-	-	-	-	-	-	6,707	6,707
Other comprehensive losses for the year	-	-	-	(6,144)	(13,260)	-	(127)	(19,531)
<b>Total comprehensive losses for the year</b>	-	-	-	(6,144)	(13,260)	-	6,580	(12,824)
Issue of new shares pursuant to scrip dividend scheme	10,387	-	-	-	-	-	(10,387)	-
Dividends paid	-	-	-	-	-	-	(1,671)	(1,671)
<b>Total transactions with owners, recognised directly in equity</b>	10,387	-	-	-	-	-	(12,058)	(1,671)
<b>Balance at 31 December 2023</b>	258,342	6,066	5,690	(8,159)	(37,224)	(38,418)	370,635	556,932

An analysis of the movements in property revaluation reserve, fair value reserve, foreign currency translation reserve and general reserve is presented in Note 29.

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

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Financial Year Ended 31 December 2023

	Share capital	Capital reserve	Property revaluation reserve	Fair value reserve	Foreign currency translation reserve	General reserve	Retained profits	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2022</b>								
<b>Balance at 1 January 2022</b>	237,814	6,066	3,219	(1,723)	(8,910)	(38,415)	385,532	583,583
Profit for the year	-	-	-	-	-	-	2,388	2,388
Other comprehensive losses for the year	-	-	2,477	(292)	(15,054)	-	(3)	(12,872)
Transfer to retained profits on realisation	-	-	(6)	-	-	(3)	9	-
<b>Total comprehensive losses for the year</b>	-	-	2,471	(292)	(15,054)	(3)	2,394	(10,484)
Issue of new shares pursuant to scrip dividend scheme	10,141	-	-	-	-	-	(10,141)	-
Dividends paid	-	-	-	-	-	-	(1,672)	(1,672)
<b>Total transactions with owners, recognised directly in equity</b>	10,141	-	-	-	-	-	(11,813)	(1,672)
<b>Balance at 31 December 2022</b>	247,955	6,066	5,690	(2,015)	(23,964)	(38,418)	376,113	571,427

An analysis of the movements in property revaluation reserve, fair value reserve, foreign currency translation reserve and general reserve is presented in Note 29.

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

# CONSOLIDATED STATEMENT OF CASH FLOWS

For The Financial Year Ended 31 December 2023

	2023 \$'000	2022 \$'000
<b>Cash flows from operating activities</b>		
Net profit for the year	6,707	2,388
Adjustments for:		
– Income tax expense	5,659	3,886
– Interest expense on lease liabilities	766	589
– Amortisation of intangible assets	273	274
– Amortisation of capitalised letting fees	88	71
– Depreciation of property, plant and equipment	16,619	17,553
– Dividend income from financial assets designated as FVOCI at initial recognition	(507)	(449)
– Unrealised currency translation differences	(393)	(435)
– Fair value gains on investment properties – net	(2,717)	(131)
– Losses/(gains) on disposal of property, plant and equipment – net	1,258	(35)
– Fair value losses on financial assets designated as FVPL at initial recognition – net	1,658	115
– Interest income	(9,673)	(3,284)
– Provision for retirement benefits	198	206
– Loss on liquidation of a subsidiary	1	–
– Reversal of impairment on property, plant and equipment	(192)	–
– Share of profit of associated companies and a joint venture	(338)	(203)
	<b>19,407</b>	20,545
Change in working capital:		
– Trade and other receivables	4,294	5,713
– Inventories	4,994	(6,404)
– Trade and other payables	6,151	(8,974)
Cash generated from operations	<b>34,846</b>	10,880
Income tax paid	(4,482)	(3,396)
Retirement benefits paid	(319)	(73)
<b>Net cash generated from operating activities</b>	<b>30,045</b>	7,411

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

# CONSOLIDATED STATEMENT OF CASH FLOWS

For The Financial Year Ended 31 December 2023

	Note	2023 \$'000	2022 \$'000
<b>Cash flows from investing activities</b>			
Dividends received from financial assets		507	449
Dividends received from an associated company		482	–
Capital distribution from joint venture company		543	–
Proceeds from disposal of property, plant and equipment		185	71
Placement for fixed deposits more than 3 months		<b>(175,979)</b>	–
Payments for purchases of and deposits for property, plant and equipment		<b>(6,649)</b>	(14,715)
Additions to financial assets, at fair value through other comprehensive income		–	(4,472)
Additions to investment properties		<b>(188)</b>	–
Interest received		<b>6,924</b>	2,504
<b>Net cash used in investing activities</b>		<b>(174,175)</b>	(16,163)
<b>Cash flows from financing activities</b>			
Dividends paid, net of scrip dividends	30	<b>(1,671)</b>	(1,672)
Interest paid		<b>(721)</b>	(444)
Principal payment of lease liabilities		<b>(2,272)</b>	(2,404)
<b>Net cash used in financing activities</b>		<b>(4,664)</b>	(4,520)
<b>Net decrease in cash and cash equivalents</b>			
Cash and cash equivalents at beginning of financial year		<b>215,119</b>	230,945
Effects of currency translation on cash and cash equivalents		<b>(2,184)</b>	(2,554)
<b>Cash and cash equivalents at end of financial year</b>	11	<b>64,141</b>	215,119

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

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

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 39.

## 2. MATERIAL ACCOUNTING POLICIES

### 2.1 Basis of preparation

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

The preparation of financial statements in conformity with SFRS(I) requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. 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.

#### Amendments to published standards effective in 2023

On 1 January 2023, the Group has adopted the new or amended SFRS(I) that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required in accordance with the transitional provisions in the respective SFRS(I).

The adoption of these new or amended SFRS(I) did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.1 Basis of preparation (Continued)

#### Amendments to published standards effective in 2023 (Continued)

The following are the other new or amended Standards and Interpretations that should be disclosed if the change in accounting policy had a material effect on the current or prior periods, or may have a material effect on future periods:

Effective for annual periods beginning on or after 1 January 2023:

1 January 2023	Amendments to: <ul style="list-style-type: none"><li>– SFRS(I) 1-8 Accounting Policies, Changes in Accounting Estimates and Errors (Definition of Accounting Estimates)</li><li>– SFRS(I) 1-12 Income Taxes (International Tax Reform – Pillar Two Model Rules)</li><li>– SFRS(I) 1-12 Income Taxes (Deferred Tax related to Assets and Liabilities arising from a Single Transaction)</li><li>– SFRS(I) 1-1 Presentation of Financial Statements and SFRS(I) Practice Statement 2 Making Materiality Judgements (Disclosure of Accounting Policies)</li></ul>
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Other than the below, the amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

#### Changes in material accounting policies

i) *Deferred tax related to assets and liabilities arising from a single transaction*

The Group has adopted Amendments to SFRS(I) 1-12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction from 1 January 2023. The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences – e.g. leases and decommissioning liabilities.

For leases, an entity is required to recognise the associated deferred tax assets and liabilities from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. For all other transactions, an entity applies the amendments to transactions that occur on or after the beginning of the earliest period presented.

The Group previously accounted for deferred tax on leases by applying the 'integrally linked' approach, resulting in a similar outcome as under the amendments, except that the deferred tax asset or liability was recognised on a net basis. Following the amendments, the Group has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. However, there was no impact on balance sheets because the balances qualify for offset under paragraph 74 of SFRS(I) 1-12. There was also no impact on the opening retained profits as at 1 January 2022 as a result of the change. The key impact for the Group relates to disclosure of the deferred tax assets and liabilities recognised (see note 23).



# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.1 Basis of preparation (Continued)

#### Changes in material accounting policies (Continued)

##### ii) *Material accounting policy information*

The Group adopted Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: Disclosure of Accounting Policies for the first time in 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and made updates to the information disclosed in Note 2 Material accounting policies (2022: Significant accounting policies) in certain instances in line with the amendments.

### 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. No significant element of financing is deemed present as the sales activities are made within the range of market practices.

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, beverage and other 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 in accordance with the terms of the sales contracts or arrangements.

#### (b) *Dividend income*

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

#### (c) *Royalty fees*

Royalty fees are recognised on an accrual basis in accordance with the terms of the relevant agreements.

#### (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.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.3 Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are deducted from the related expenses.

Government grants relating to assets, including non-monetary grants at fair value, are presented in the balance sheets by deducting the grant in arriving at the carrying value of the asset recognised in “property, plant and equipment”.

### 2.4 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 to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date 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 unless the transaction provides evidence of 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 comprise the portion of a subsidiary's net results of operations and its net assets, which is attributable to the interests that 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.

As at 31 December 2023 and 31 December 2022, there are no non-controlling interests in the subsidiaries of the Group.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.4 Group accounting (Continued)

#### (a) Subsidiaries (Continued)

##### (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 at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's 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(a) 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 SFRS(I).

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.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.4 Group accounting (Continued)

#### (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 and joint ventures

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%.

Joint ventures are entities over which the Group has joint control as a result of contractual arrangements, and rights to the net assets of the entities.

Investments in associated companies and joint ventures are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

##### (i) Acquisitions

Investments in associated companies and joint ventures 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 and joint ventures represents the excess of the cost of acquisition of the associated company or joint venture over the Group's share of fair value of the identifiable net assets of the associated company or joint venture and is included in the carrying amount of the investments.

##### (ii) Equity method of accounting

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of its associated companies' or joint ventures' post-acquisition profits or losses in profit or loss and its share of post-acquisition other comprehensive income in other comprehensive income. Dividends received or receivable from the associated companies or joint ventures are recognised as a reduction of the carrying amount of the investments. When the Group's share of losses in an associated company or a joint venture equals to or exceeds its interests in the associated company or joint venture, 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 or joint venture. If the associates or joint venture subsequently reports profits, the Group resumes recognising its share of profits only after its share of profits equals the share of losses not recognised.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.4 Group accounting (Continued)

#### (c) Associated companies and joint ventures (Continued)

##### (ii) Equity method of accounting (Continued)

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

##### (iii) Disposals

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

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

### 2.5 Property, plant and equipment

#### (a) Measurement

##### (i) Land and buildings

Land and buildings are initially recognised at cost. Freehold land are 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.

##### (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.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.5 Property, plant and equipment (Continued)

#### (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:

	<u>Useful lives</u>
Leasehold land (over term of lease)	50 – 100 years
Buildings on freehold and leasehold land	10 – 50 years
Plant and machinery, furniture and fittings	3 – 15 years
Computer equipment and software costs	3 – 5 years
Motor vehicles and trucks	3 – 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 and losses". Any amount in property revaluation reserve relating to that item is transferred to retained profits directly.

#### (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.

### 2.6 Investment properties

Investment properties are land and buildings held for long-term rental yields and/or for capital appreciation and right-of-use assets relating to leasehold land that is held for long-term capital appreciation or for a currently indeterminate use. 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.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.6 Investment properties (Continued)

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 Intangible assets

#### (a) Goodwill

Goodwill on acquisition of subsidiaries and business represents the excess of (i) the sum 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 (ii) the fair value 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 acquisition of associated companies and joint ventures represents the excess of the cost of acquisition over the Group's share of the fair value of the identifiable net assets acquired. Goodwill on associated companies and joint ventures is included in the carrying amount of the investments.

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

#### (b) Acquired trademark licence and bottling right

Trademark licence and bottling right acquired are initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over 20 years, which is the shorter of the estimated useful life and period of contractual right.

#### (c) Acquired computer software licences

Acquired computer software licences are initially capitalised at cost which includes the purchase price (net of any discounts and rebates) and other directly attributable costs of preparing the asset for its intended use. Direct expenditures including employee costs, which enhance or extend the performance of computer software beyond its specifications and which can be reliably measured, are added to the original cost of the software. Costs associated with maintaining the computer software are expensed off when incurred.

Computer software licences are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. The cost is amortised to profit or loss using the straight-line method over its estimated useful life of 20 years.

The amortisation period and amortisation method of intangible assets other than goodwill are reviewed at least at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.8 Investments in subsidiaries, associated companies and joint ventures

Investments in subsidiaries, associated companies and joint ventures are carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of such investments, 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. 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

*Intangible assets*

*Investments in subsidiaries, associated companies and joint ventures*

Property, plant and equipment, intangible assets and investments in subsidiaries, associated companies and joint ventures 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.



# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.10 Impairment of non-financial assets (Continued)

(b) *Property, plant and equipment*

*Intangible assets*

*Investments in subsidiaries, associated companies and joint ventures (Continued)*

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.

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 and amortisation) 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 and measurement*

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

- (i) Amortised cost;
- (ii) Fair value through other comprehensive income ("FVOCI"); and
- (iii) Fair value through profit or loss ("FVPL").

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Group reclassifies financial assets when and only when its business model for managing those assets changes.

#### At initial recognition

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

#### At subsequent measurement

(i) *Debt instruments*

Debt instruments mainly comprise of "cash and cash equivalents" and "trade and other receivables" excluding prepayments and deposits for property, plant and equipment.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.11 Financial assets (Continued)

#### (a) Classification and measurement (Continued)

##### At subsequent measurement (Continued)

#### (i) Debt instruments (Continued)

There are two subsequent measurement categories, depending on the Group's business model for managing the asset and the cash flow characteristics of the asset:

- **Amortised cost:** Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.
- **FVPL:** Debt instruments that are held for trading as well as those that do not meet the criteria for classification as amortised cost or FVOCI are classified as FVPL. Movements in fair values and interest income are recognised in profit or loss in the period in which they arise.

#### (ii) Equity investments

The Group subsequently measures all its equity investments at their fair values. Equity investments are classified as FVPL with movements in their fair values recognised in profit or loss in the period in which the changes arise and presented in "other gains and losses", except for those equity securities which were not held for trading. The Group has elected to recognise changes in fair value of equity securities not held for trading in other comprehensive income as these are strategic investments and the Group considers this to be more relevant. Movements in fair values of investments classified as FVOCI are presented as "fair value gains or losses" in Other Comprehensive Income. Dividends from equity investments are recognised in profit or loss as "dividend income".

#### (b) Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 33 details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by SFRS(I) 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

#### (c) 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.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.11 Financial assets (Continued)

#### (c) Recognition and derecognition (Continued)

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss.

On disposal of an equity investment, the difference between the carrying amount and sales proceed is recognised in profit or loss if there was no election made to recognise fair value changes in other comprehensive income. If there was an election made, any difference between the carrying amount and sales proceed amount would be recognised in other comprehensive income and transferred to retained profits along with the amount previously recognised in other comprehensive income relating to that asset.

### 2.12 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is currently 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.

### 2.13 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 twelve 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.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.15 Fair value estimation of financial assets and liabilities (Continued)

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

### 2.16 Leases

(a) When the Group is the lessee:

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

(i) *Right-of-use assets*

The Group recognised a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

These right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Right-of-use assets (except for those which meets the definition of an investment property) are presented within "property, plant and equipment".

Right-of-use asset which meets the definition of an investment property is presented within "investment properties" and accounted for in accordance with Note 2.6.

(ii) *Lease liabilities*

The initial measurement of lease liability is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group shall use its incremental borrowing rate.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.16 Leases (Continued)

(a) When the Group is the lessee: (Continued)

(ii) Lease liabilities (Continued)

Lease payments include the following:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that are based on an index or rate, initially measured using the index or rate as at the commencement date;
- Amount expected to be payable under residual value guarantees;
- The exercise price of a purchase option if the Group is reasonably certain to exercise the option; and
- Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

For contracts that contain both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease component. The Group has elected to not separate lease and non-lease components for property leases and account for these as one single lease component.

Lease liability is measured at amortised cost using the effective interest method. Lease liability shall be remeasured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There are changes in the Group's assessment of whether it will exercise an extension option; or
- There are modifications in the scope or the consideration of the lease that was not part of the original term.

Lease liability is remeasured with a corresponding adjustment to the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(iii) Short term and low value leases

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of twelve months or less and leases for which the underlying assets are of low value (less than \$7,000). Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

(iv) Variable lease payments

Variable lease payments that are not based on an index or a rate are not included as part of the measurement and initial recognition of the lease liability. The Group shall recognise those lease payments in profit or loss in the periods that triggered those lease payments.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.16 Leases (Continued)

(b) When the Group is the lessor:

The Group leases investment properties under operating leases to non-related parties.

(i) Lessor – Operating leases

Leases 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.

Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

Contingent rents are recognised as income in profit or loss when earned.

(ii) Lessor – Subleases

In classifying a sublease, the Group as an intermediate lessor classifies the sublease as a finance or an operating lease with reference to the right-of-use asset arising from the head lease, rather than the underlying asset.

When the sublease is assessed as a finance lease, the Group derecognises the right-of-use asset relating to the head lease that it transfers to the sublessee and recognised the net investment in the sublease within “trade and other receivables”. Any differences between the right-of-use asset derecognised and the net investment in sublease is recognised in profit or loss. Lease liability relating to the head lease is retained in the balance sheet, which represents the lease payments owed to the head lessor.

When the sublease is assessed as an operating lease, the Group recognises lease income from sublease in profit or loss within “other income”. The right-of-use asset relating to the head lease is not derecognised.

For contracts which contain lease and non-lease components, the Group allocates the consideration based on a relative stand-alone selling price basis.

### 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). Cost also includes any gains or losses on qualifying cash flow hedges of foreign currency purchases of inventories. 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.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.18 Income taxes

Current income tax for current and prior periods are 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. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a tax authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

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, associated companies and joint ventures, 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.

### 2.19 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.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 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 plans

Post-employment benefits relate to retirement benefits given to employees and are non-contributory unfunded retirement benefits schemes for employees who are eligible under labour laws or collective bargaining agreements.

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. 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.

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

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

#### (c) 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 twelve months after balance sheet date are discounted to their present value.

#### (d) 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.

#### (e) Annual leave entitlement

Employee entitlements to annual leave are recognised when they accrue 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.



# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 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 ("SGD" or "\$"), 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, the accumulated foreign 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 expense". All other foreign exchange gains and losses impacting profit or loss are presented in profit or loss within "other gains and losses".

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.

(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 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.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.22 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting used by the Chief Executive Officer to make strategic decisions, allocate resources and assess performance.

### 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, balances with banks and short-term deposits with maturities of three months or less from the date of acquisition 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.

### 2.26 Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted-average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees.

## 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, other assumptions and the carrying amounts at the reporting dates are disclosed in Note 19.

### *Valuation of non-financial assets*

The Group assesses at each reporting date whether there is any objective evidence that non-financial assets are impaired. Where there is objective evidence of impairment, the recoverable amount is estimated based on the higher of the value-in-use and the fair value less costs to sell. Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows to be generated by the non-financial assets and to choose a suitable discount rate in order to calculate the present value of those cash flows. Changes in assumptions about these factors could affect the recoverable amount of the non-financial assets at the balance sheet date.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 4. REVENUE

The Group derives revenue from the transfer of goods and services at a point in time and over time in the following major product lines and geographical regions. Revenue is attributed to countries by location of customers.

### (a) Disaggregation of revenue from contracts with customers

	At a point in time \$'000	Over time \$'000	Total \$'000
<b>The Group</b>			
<b>2023</b>			
Consumer food and beverage products			
– Singapore	72,805	–	72,805
– Malaysia	150,392	–	150,392
– China	26,347	–	26,347
– Other Asia Pacific countries	56,820	–	56,820
– Europe	10,570	–	10,570
– United States of America	11,240	–	11,240
	<b>328,174</b>	<b>–</b>	<b>328,174</b>
Other products			
– Singapore	4,552	–	4,552
Royalty fees			
– Other Asia Pacific countries	–	16	16
<b>Total</b>	<b>332,726</b>	<b>16</b>	<b>332,742</b>
<b>The Group</b>			
<b>2022</b>			
Consumer food and beverage products			
– Singapore	77,470	–	77,470
– Malaysia	155,025	–	155,025
– China	31,383	–	31,383
– Other Asia Pacific countries	64,847	–	64,847
– Europe	11,833	–	11,833
– United States of America	13,143	–	13,143
	<b>353,701</b>	<b>–</b>	<b>353,701</b>
Other products			
– Singapore	4,358	–	4,358
Royalty fees			
– Other Asia Pacific countries	–	17	17
<b>Total</b>	<b>358,059</b>	<b>17</b>	<b>358,076</b>

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 4. REVENUE (CONTINUED)

### (b) Contract liabilities

	The Group	
	2023 \$'000	2022 \$'000
<b>Contract liabilities</b>		
Consumer food and beverage and other products	<b>651</b>	726

Contract liabilities for consumer food and beverage and other products mainly relate to refund liabilities and prepayments received from customers ahead of the delivery of products and are included under trade and other payables.

#### Revenue recognised in relation to contract liabilities

	The Group	
	2023 \$'000	2022 \$'000
Revenue recognised in current period that was included in the contract liabilities balance at the beginning of the period		
– Consumer food and beverage and other products	<b>578</b>	3,145

## 5. OTHER INCOME

	The Group	
	2023 \$'000	2022 \$'000
Interest income from bank deposits	<b>9,673</b>	3,284
Rental income	<b>9,032</b>	9,108
Dividend income	<b>507</b>	449
	<b>19,212</b>	12,841

## 6. OTHER GAINS AND LOSSES

	Note	The Group	
		2023 \$'000	2022 \$'000
<u>Other gains</u>			
Fair value gains on investment properties – net	19	<b>2,717</b>	131
Reversal of impairment on property, plant and equipment		<b>192</b>	–
Compensation from a customer for order obligation		<b>4,754</b>	2,500
Gains on disposal of property, plant and equipment – net		–	35
Other miscellaneous income		<b>398</b>	157
		<b>8,061</b>	2,823
<u>Other losses</u>			
Fair value losses on financial assets designated as FVPL at initial recognition		<b>(1,658)</b>	(115)
Losses on disposal of property, plant and equipment – net		<b>(1,258)</b>	–
Currency translation losses – net		<b>(1)</b>	(543)
Loss on liquidation of a subsidiary		<b>(1)</b>	–
		<b>(2,918)</b>	(658)
		<b>5,143</b>	2,165

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 7. EXPENSES BY NATURE

	Note	The Group	
		2023 \$'000	2022 \$'000
Fees on audit services paid/payable to			
– Auditors of the Company		377	363
– Other auditors*		384	372
Fees on non-audit services paid/payable to			
– Auditors of the Company		23	34
Amortisation of intangible assets	22	273	274
Amortisation of capitalised letting fees	19	88	71
Depreciation of property, plant and equipment	20	16,619	17,553
Write-down of inventories – net	13	2,291	2,978
Impairment/(Write back of impairment) of trade and other receivables	33(b)	809	(1,522)
Employee compensation	8	61,645	63,342
Cost of raw materials and trading goods included in cost of sales**		179,793	200,537
Advertising and promotion expenses***		26,683	22,474
Transportation expense		14,392	17,259
Rental expense on operating leases	21(d)	1,947	2,398
Finance expense – interest expense on lease liabilities	21(c)	766	589
Utilities expense		18,016	20,013
Repairs and maintenance expenses		12,279	13,248

\* : Includes other member firms of KPMG International.

\*\* : Cost of raw materials and trading goods included in cost of sales is arrived at net of the \$172,000 (2022: \$13,000) reimbursement from related parties.

In 2022, YHS (Singapore) Pte Ltd (“YHS Singapore”), a wholly owned subsidiary of the Group, and Ng Teng Fong Charitable Foundation (“NTFCF”), a related party controlled by the Group’s controlling shareholder, (collectively the “Sponsors”) entered into a 3-year sponsorship agreement with Maximilian Maeder (“Max”), a national sailor representing Singapore in kitefoiling, with an option to renew it for another four years. During the sponsorship period, Max would endorse the Sponsors’ trademarks, and could also be invited to participate in the advertising, marketing and promotion campaigns and activities organised by the Group. YHS Singapore’s sponsorship comprises products in kind (up to 50 cartons/cases a year) while NTFCF’s sponsorship amounted to \$250,000 over 3 years.

\*\*\* : Advertising and promotion expenses is arrived at net of the \$1,056,000 (2022: \$147,000) reimbursement from related parties.

## 8. EMPLOYEE COMPENSATION

	Note	The Group	
		2023 \$'000	2022 \$'000
Wages and salaries		50,283	50,786
Employer’s contribution to defined contribution plans including Central Provident Fund		4,497	4,715
Retirement benefits costs	26	198	206
Other short-term employee benefits		6,815	7,842
Less: Government grants		(148)	(207)
		61,645	63,342

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 9. INCOME TAXES

### (a) Income tax expense

	The Group	
	2023 \$'000	2022 \$'000
Tax expense attributable to profit is made up of:		
Current income tax		
– Singapore	785	55
– Foreign	2,864	3,340
	<b>3,649</b>	3,395
Deferred income tax credit	898	(88)
	<b>4,547</b>	3,307
Under/(Over) provision in prior financial years		
– Current income tax	118	1,326
– Deferred income tax	994	(747)
	<b>1,112</b>	579
	<b>5,659</b>	3,886

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

	The Group	
	2023 \$'000	2022 \$'000
Profit before income tax	12,366	6,274
Share of profit of associated companies and a joint venture, net of tax	(338)	(203)
Profit before income tax and share of profit of associated companies and a joint venture	<b>12,028</b>	6,071
Tax calculated at tax rate of 17% (2022: 17%)	2,045	1,032
Effects of:		
– Different tax rates in other countries	1,140	1,212
– Income not subject to tax	(1,621)	(2,247)
– Expenses not deductible for tax purposes	2,063	1,961
– Utilisation/Recognition of previously unrecognised tax benefits	–	(682)
– Utilisation of tax benefits	–	469
– Deferred income tax assets not recognised	920	1,562
– Under provision in prior financial years – net	1,112	579
Tax charge	<b>5,659</b>	3,886

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 9. INCOME TAXES (CONTINUED)

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

	The Group		The Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Beginning of financial year	1,049	(107)	-	29
Currency translation differences	(88)	(169)	-	-
Income tax paid	(4,482)	(3,396)	-	-
Tax expense	3,649	3,395	145	22
Under/(Over) provision in prior financial years	118	1,326	-	(51)
End of financial year	246	1,049	145	-
Representing:				
Current income tax recoverable	(1,070)	(763)	-	-
Current income tax liabilities	1,316	1,812	145	-
	246	1,049	145	-

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

	2023			2022		
	Before tax \$'000	Tax (charge)/ credit \$'000	After tax \$'000	Before tax \$'000	Tax (charge)/ credit \$'000	After Tax \$'000
<b>The Group</b>						
Currency translation differences arising from consolidation	(13,260)	-	(13,260)	(15,054)	-	(15,054)
Fair value losses on financial assets, at FVOCI	(6,144)	-	(6,144)	(292)	-	(292)
Remeasurements of defined benefit plans	(127)	-	(127)	(3)	-	(3)
Revaluation gain on property, plant and equipment	-	-	-	2,752	(275)	2,477
Other comprehensive losses	(19,531)	-	(19,531)	(12,597)	(275)	(12,872)

## 10. EARNINGS PER SHARE

Basic and diluted 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	
	2023	2022
Net profit attributable to equity holders of the Company (\$'000)	6,707	2,388
Weighted average number of ordinary shares outstanding for basic and diluted earnings per share ('000)	609,509	595,338
Basic and diluted earnings per share (cents per share)	1.10	0.40

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 11. CASH AND CASH EQUIVALENTS

	The Group		The Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Cash at bank and on hand	31,107	56,992	214	580
Fixed deposits with financial institutions	33,034	158,127	7,550	8,271
<b>Total cash and cash equivalents</b>	<b>64,141</b>	<b>215,119</b>	<b>7,764</b>	<b>8,851</b>

### Classification as cash equivalents

Fixed deposits with financial institutions are presented as cash equivalents if they have a maturity of three months or less from the date of acquisition and are repayable with 24 hours' notice with no loss of interest. See note 2.23 on cash and cash equivalents.

## 12. TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Trade receivables				
– Non-related parties	46,574	50,921	–	–
– An associated company	–	5	–	–
– Related parties	95	129	–	–
	46,669	51,055	–	–
Less: Loss allowance for trade receivables				
– Non-related parties	(901)	(576)	–	–
<b>Trade receivables – net</b>	<b>45,768</b>	<b>50,479</b>	<b>–</b>	<b>–</b>
Other receivables				
– Non-related parties	13,758	9,986	627	592
– Related parties	23	146	–	–
– Subsidiaries	–	–	67,829	68,405
<b>Other receivables – net</b>	<b>13,781</b>	<b>10,132</b>	<b>68,456</b>	<b>68,997</b>
Less: Loss allowance for other receivables				
– A non-related party	(345)	–	–	–
<b>Other receivables – net</b>	<b>13,436</b>	<b>10,132</b>	<b>68,456</b>	<b>68,997</b>
Loans to a non-related party	1,392	1,301	1,392	1,301
Staff loans	8	28	–	–
Deposits	1,643	2,119	72	57
Prepayments	1,344	2,325	13	67
<b>Trade and other receivables – Current</b>	<b>63,591</b>	<b>66,384</b>	<b>69,933</b>	<b>70,422</b>
Deposits*	449	861	–	–
Loans to a non-related party	2,287	3,679	2,287	3,679
<b>Trade and other receivables – Non-current</b>	<b>2,736</b>	<b>4,540</b>	<b>2,287</b>	<b>3,679</b>
<b>Total trade and other receivables</b>	<b>66,327</b>	<b>70,924</b>	<b>72,220</b>	<b>74,101</b>
Non-current	2,736	4,540	2,287	3,679
Current	63,591	66,384	69,933	70,422
	66,327	70,924	72,220	74,101

\* Deposits paid for purchase of property, plant and equipment.



# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 12. TRADE AND OTHER RECEIVABLES (CONTINUED)

Other receivables from non-related parties, related parties and subsidiaries are unsecured, interest-free and repayable on demand for the Group and the Company.

Loans to a non-related party are unsecured, interest-bearing at the average prime lending rate for Singapore Dollars plus 2% per annum and will be repayable in full by December 2027 for the Group and the Company.

Related parties refer to the related companies of the ultimate holding company and companies that are controlled or significantly influenced by the Group's key management personnel, directors or the shareholders of the Company's ultimate holding company.

The Group has obtained bankers' guarantees and cash deposits from certain customers to mitigate the credit risk. No significant credit risk for past due trade and other receivables as it is mainly covered by bankers' guarantees, cash deposits received and instalment repayment plan committed by customers.

## 13. INVENTORIES

	The Group	
	2023 \$'000	2022 \$'000
Raw materials	15,964	19,977
Work-in-progress	69	83
Finished/Trading goods	37,803	41,279
	<b>53,836</b>	<b>61,339</b>

The cost of inventories recognised as an expense and included in "cost of sales" amounted to \$224,741,000 (2022: \$250,671,000).

During the financial year, the Group wrote down inventories of \$2,291,000 (2022: \$2,978,000).

## 14. OTHER FINANCIAL ASSETS

	The Group	
	2023 \$'000	2022 \$'000
<b>Current</b>		
Financial assets at amortised costs	175,979	–
<b>Non-current</b>		
Financial assets designated at FVOCI at initial recognition	14,881	21,025
Financial assets designated at FVPL at initial recognition	1,784	3,442
	<b>192,644</b>	<b>24,467</b>
Other financial assets are analysed as follows:		
<u>Financial assets designated at FVOCI</u>		
Listed equity securities – Hong Kong	5,591	11,840
Listed equity securities – USA	1,794	1,966
Listed equity securities – Japan	26	31
Listed equity securities – Europe	216	178
Listed real estate investment trusts and business trusts – Singapore	7,254	7,010
	<b>14,881</b>	21,025
<u>Financial assets designated at FVPL</u>		
Unquoted equity securities – Singapore	1,784	3,442
	<b>16,665</b>	<b>24,467</b>
<u>Financial assets at amortised costs</u>		
Fixed deposits more than 3 months	175,979	–
	<b>175,979</b>	–
<b>Total other financial assets</b>	<b>192,644</b>	<b>24,467</b>

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 14. OTHER FINANCIAL ASSETS (CONTINUED)

	The Company	
	2023 \$'000	2022 \$'000
<b>Current</b>		
Financial assets at amortised costs		
Fixed deposits more than 3 months	<b>16,643</b>	–

## 15. 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. Loans to subsidiaries are unsecured, interest-free, repayable on demand but are not expected to be repaid within the next twelve months.

	The Company	
	2023 \$'000	2022 \$'000
Loans to subsidiaries	<b>45,553</b>	45,553
Less: Loss allowance	<b>(935)</b>	(935)
	<b>44,618</b>	44,618

## 16. INVESTMENTS IN ASSOCIATED COMPANIES

	The Group	
	2023 \$'000	2022 \$'000
Beginning of financial year	<b>5,281</b>	5,548
Currency translation differences	<b>(266)</b>	(468)
Share of profit, net of tax	<b>334</b>	201
Dividend received	<b>(482)</b>	–
End of financial year	<b>4,867</b>	5,281

The Group has interests in a number of associated companies and they are individually insignificant. The summarised financial information of these associated companies, not adjusted for the proportion of ownership interest held by the Group, is as follows:

	The Group	
	2023 \$'000	2022 \$'000
Assets	<b>43,373</b>	48,368
Liabilities	<b>27,705</b>	31,700
Revenue	<b>187,371</b>	190,973
Net profit and total comprehensive income	<b>1,406</b>	798

The Group has not recognised its share of losses relating to certain associated companies amounting to \$1,000 (2022: \$2,000) during the year 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 \$868,000 (2022: \$867,000) at the balance sheet date.

There are no contingent liabilities relating to the Group's interests in the associated companies.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 17. INVESTMENT IN A JOINT VENTURE

	The Group	
	2023 \$'000	2022 \$'000
Beginning of financial year	614	648
Currency translation differences	(40)	(36)
Share of profit, net of tax	4	2
Capital distribution	(543)	–
End of financial year	<b>35</b>	614

The Group has interest in an immaterial joint venture. The summarised financial information of this joint venture, not adjusted for the proportion of ownership interest held by the Group, is as follows:

	The Group	
	2023 \$'000	2022 \$'000
Assets	77	1,236
Liabilities	2	7
Revenue	–	–
Net profit and total comprehensive income	<b>9</b>	5

There are no contingent liabilities relating to the Group's interest in the joint venture.

## 18. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2023 \$'000	2022 \$'000
Unquoted equity investments at cost less impairment	<b>317,758</b>	322,758
Beginning of financial year	<b>322,758</b>	322,758
Liquidated during the year	(5,000)	–
End of financial year	<b>317,758</b>	322,758

Details of significant subsidiaries are included in Note 39.

## 19. INVESTMENT PROPERTIES

	Note	The Group		The Company	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Beginning of financial year		54,143	52,602	80,295	79,567
Currency translation differences		(3,258)	(3,677)	–	–
Additions		188	–	855	–
Transfer from property, plant and equipment	20	–	5,158	–	–
Disposal		–	–	–	(22)
Amortisation/Write-down	7	(88)	(71)	–	–
Net fair value gains recognised in profit or loss, under "other gains and losses"	6	<b>2,717</b>	131	<b>583</b>	750
End of financial year		<b>53,702</b>	54,143	<b>81,733</b>	80,295

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 19. INVESTMENT PROPERTIES (CONTINUED)

Additions represent capitalised expenditure on the investment properties. Amortisation or write-down includes capitalised letting fees and other costs. Certain investment properties are leased to non-related parties under operating leases (Note 21).

The following amounts are recognised in profit or loss:

	The Group		The Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Rental income	5,295	5,357	6,430	6,333
Direct operating expenses arising from:				
– investment properties that generate rental income	(1,076)	(1,046)	(3,928)	(3,834)
– investment properties that do not generate rental income	(91)	(92)	(857)	(830)

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 (Note 20).

Details of investment properties of the Group are follows:

Location	Description and existing use	Approximate land area (in sq. metres)	Tenure
<b>The People's Republic of China</b>			
286 & 288 Chigangxi Road, Haizhu District, Guangzhou Guangdong Province	Office and warehouse	30,873	Leasehold expiring in year 2043
242 Chigangxi Road, No. 1 Guitiandongyue Forth Lane, and Unit 702, No. 186 Dunhe Road, Haizhu District, Guangzhou Guangdong Province	Apartments	1,812	Leasehold expiring in years 2065 to 2068
<b>Malaysia</b>			
Leong Sin Nam Farm, Jalan Ampang Tambun, Tambun, Ipoh, Perak, Malaysia	Farming land	1,048,062	16 lots freehold, 6 lots and 1 lot leasehold expiring in year 2045 and 2885 respectively
40 1/4 Milepost, Jalan Air Itam – Johor Bahru, Simpang Renggam, Johor, Malaysia	Farming land	420,183	Freehold
Lot No. 30, Jalan Upper Lanang, Sibul, Sarawak, Malaysia	Office and warehouse	6,107	Leasehold expiring in year 2039
Lot 4183, Jalan Kuching, Taman Tunku Industrial Area, Miri, Sarawak, Malaysia	Office and warehouse	8,858	Leasehold expiring in year 2054
Lot 71, Sedco Industrial Estate, Phase 2, Jalan Kolombong, Kota Kinabalu, Sabah, Malaysia	Office and warehouse	5,235	Leasehold expiring in year 2034
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

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 19. INVESTMENT PROPERTIES (CONTINUED)

### 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

The fair value measurement for all investment properties of the Group and the Company of \$53,702,000 (2022: \$54,143,000) and \$81,733,000 (2022: \$80,295,000) respectively, has been categorised as a Level 3 fair value based on the inputs used to the valuation technique used.

Reconciliation of fair value measurement to valuation report

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>The Company</b>		
Fair value of investment property based on valuation report	<b>68,000</b>	67,000
Add: Carrying amount of lease liabilities	<b>13,733</b>	13,295
Carrying amount of investment property	<b>81,733</b>	80,295

There was no change to the valuation technique used to determine the fair value of each investment property.

### Reconciliation of movements in Level 3 fair value measurement

Except for a property reclassification from property, plant and equipment of \$5,158,000 in 2022, there are no transfers into or out of Level 3 during the years ended 31 December 2023 and 2022.

### Valuation techniques and inputs used in Level 3 fair value measurement

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

#### Adjusted 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 and Company'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 and Company's property. An increase in transacted prices per square metre would increase the valuation. The Group's properties valued under this approach have an adjusted transaction price per square metre of \$18 to \$3,957 (2022: \$17 to \$3,994). As the valuation obtained for properties is net of future payments expected to be made, lease liability recognised in respect of these future payments is added to arrive at the carrying amount of the investment properties.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 19. INVESTMENT PROPERTIES (CONTINUED)

### Valuation techniques and inputs used in Level 3 fair value measurement (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 capitalisation rate. 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 \$221 (2022: \$166) per square metre. Capitalisation rate, estimated at 2.8% to 9.0% (2022: 2.8% to 9.0%), is the rate of return on the properties considering market conditions on the valuation date and the profile of the properties. An increase in estimated market rental rate per square metre would increase the valuation while an increase in capitalisation rate would lower the valuation.

#### *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. 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. An increase in construction cost or estimated cost to complete per square metre would increase the valuation.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 20. PROPERTY, PLANT AND EQUIPMENT

	Note	Freehold land and buildings \$'000	Leasehold land and buildings \$'000	Plant and machinery, and furniture and fittings \$'000	Computer equipment and software costs \$'000	Motor vehicles and trucks \$'000	Construction- in-progress \$'000	Total \$'000
<b>The Group</b>								
<b>2023</b>								
<b>Cost</b>								
Beginning of financial year		40,262	177,511	173,610	11,486	7,784	1,917	412,570
Currency translation differences		(1,465)	(2,851)	(7,104)	(353)	(269)	(209)	(12,251)
Additions		1	1,810	3,350	920	3,139	1,753	10,973
Disposals		-	(561)	(8,121)	(857)	(2,759)	-	(12,298)
Reclassification/Transfer		235	371	2,034	305	-	(2,945)	-
End of financial year		<u>39,033</u>	<u>176,280</u>	<u>163,769</u>	<u>11,501</u>	<u>7,895</u>	<u>516</u>	<u>398,994</u>
<b>Accumulated depreciation</b>								
Beginning of financial year		5,435	54,149	98,976	9,889	5,390	-	173,839
Currency translation differences		(386)	(1,231)	(4,734)	(317)	(243)	-	(6,911)
Disposals		-	(448)	(5,219)	(847)	(2,685)	-	(9,199)
Depreciation charge	7	<u>542</u>	<u>4,274</u>	<u>9,566</u>	<u>774</u>	<u>1,463</u>	<u>-</u>	<u>16,619</u>
End of financial year		<u>5,591</u>	<u>56,744</u>	<u>98,589</u>	<u>9,499</u>	<u>3,925</u>	<u>-</u>	<u>174,348</u>
Cost less accumulated depreciation at end of financial year		<u>33,442</u>	<u>119,536</u>	<u>65,180</u>	<u>2,002</u>	<u>3,970</u>	<u>516</u>	<u>224,646</u>
<b>Accumulated impairment losses</b>								
Beginning of financial year		83	20,037	1,340	-	-	-	21,460
Write back during the year		-	-	(192)	-	-	-	(192)
Currency translation differences		(5)	-	(42)	-	-	-	(47)
Disposals		-	-	(77)	-	-	-	(77)
End of financial year		<u>78</u>	<u>20,037</u>	<u>1,029</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,144</u>
<b>Net book value at end of financial year</b>		<u>33,364</u>	<u>99,499</u>	<u>64,151</u>	<u>2,002</u>	<u>3,970</u>	<u>516</u>	<u>203,502</u>

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 20. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Note	Freehold land and buildings \$'000	Leasehold land and buildings \$'000	Plant and machinery, and furniture and fittings \$'000	Computer equipment and software costs \$'000	Motor vehicles and trucks \$'000	Construction- in-progress \$'000	Total \$'000
<b>The Group</b>								
<b>2022</b>								
<b>Cost</b>								
Beginning of financial year		42,947	186,883	171,773	11,372	9,077	889	422,941
Currency translation differences		(3,292)	(2,984)	(6,241)	(357)	(257)	(47)	(13,178)
Additions		100	501	5,428	964	2,271	6,249	15,513
Disposals		–	(3,338)	(1,936)	(540)	(3,307)	–	(9,121)
Revaluation gains of a property transferred to investment properties	29(b)(i)	–	2,752	–	–	–	–	2,752
Transferred to investment properties	19	–	(6,337)	–	–	–	–	(6,337)
Reclassification/Transfer		507	34	4,586	47	–	(5,174)	–
End of financial year		<u>40,262</u>	<u>177,511</u>	<u>173,610</u>	<u>11,486</u>	<u>7,784</u>	<u>1,917</u>	<u>412,570</u>
<b>Accumulated depreciation</b>								
Beginning of financial year		5,264	55,041	94,868	9,945	7,665	–	172,783
Currency translation differences		(321)	(1,240)	(4,153)	(327)	(228)	–	(6,269)
Disposals		–	(3,321)	(1,918)	(537)	(3,273)	–	(9,049)
Depreciation charge	7	492	4,848	10,179	808	1,226	–	17,553
Transferred to investment properties	19	–	(1,179)	–	–	–	–	(1,179)
End of financial year		<u>5,435</u>	<u>54,149</u>	<u>98,976</u>	<u>9,889</u>	<u>5,390</u>	<u>–</u>	<u>173,839</u>
Cost less accumulated depreciation at end of financial year		<u>34,827</u>	<u>123,362</u>	<u>74,634</u>	<u>1,597</u>	<u>2,394</u>	<u>1,917</u>	<u>238,731</u>
<b>Accumulated impairment losses</b>								
Beginning of financial year		88	20,037	1,414	–	–	–	21,539
Currency translation differences		(5)	–	(73)	–	–	–	(78)
Disposals		–	–	(1)	–	–	–	(1)
End of financial year		<u>83</u>	<u>20,037</u>	<u>1,340</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>21,460</u>
<b>Net book value at end of financial year</b>		<u>34,744</u>	<u>103,325</u>	<u>73,294</u>	<u>1,597</u>	<u>2,394</u>	<u>1,917</u>	<u>217,271</u>



# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 20. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Leasehold buildings \$'000	Plant and machinery, furniture and fittings \$'000	Computer equipment and software costs \$'000	Total \$'000
<b>The Company</b>				
<b>2023</b>				
<b>Cost</b>				
Beginning of financial year	30	5,436	72	5,538
Additions	30	77	2	109
Disposals	(60)	(63)	–	(123)
End of financial year	–	5,450	74	5,524
<b>Accumulated depreciation</b>				
Beginning of financial year	30	3,638	66	3,734
Depreciation charge	30	370	3	403
Disposals	(60)	(25)	–	(85)
End of financial year	–	3,983	69	4,052
Cost less accumulated depreciation at end of financial year	–	1,467	5	1,472
<b>Accumulated impairment losses</b>				
Beginning and end of financial year	–	230	–	230
Disposals	–	(38)	–	(38)
End of financial year	–	192	–	192
<b>Net book value at end of financial year</b>	<b>–</b>	<b>1,275</b>	<b>5</b>	<b>1,280</b>

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 20. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Leasehold buildings \$'000	Plant and machinery, furniture and fittings \$'000	Computer equipment and software costs \$'000	Total \$'000
<b>The Company</b>				
<b>2022</b>				
<b>Cost</b>				
Beginning of financial year	59	5,176	71	5,306
Additions	30	260	5	295
Disposals	(59)	–	(4)	(63)
End of financial year	30	5,436	72	5,538
<b>Accumulated depreciation</b>				
Beginning of financial year	59	3,188	69	3,316
Depreciation charge	30	450	1	481
Disposals	(59)	–	(4)	(63)
End of financial year	30	3,638	66	3,734
Cost less accumulated depreciation at end of financial year	–	1,798	6	1,804
<b>Accumulated impairment losses</b>				
Beginning and end of financial year	–	230	–	230
<b>Net book value at end of financial year</b>	<b>–</b>	<b>1,568</b>	<b>6</b>	<b>1,574</b>

Right-of-use assets acquired under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 21(a).

In 2022, a property was transferred to investment properties as it was no longer used by the Group and now leased to third parties.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 20. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Details of major 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	
				2023 \$'000	2022 \$'000
<b>Singapore</b>					
3 Senoko Way	Office, factory and warehouses	27,638	30 years leasehold with effect from April 1994 with an option to renew for a further 30 years	<b>53,880</b>	55,013
<b>Cambodia</b>					
No. 385, Tachet, Beung Thom, Posenchey, Phnom Penh, Cambodia	Office, factory and warehouse	92,769	50 years leasehold with effect from March 2014 with an option to renew for a further 50 years	<b>28,688</b>	29,948
<b>Indonesia</b>					
Suryacipta City of Industry, Jalan Surya Utama, Kav I-65D1-D10 Karawang, Jawa Barat 41363, Indonesia	Industrial land for factory use	147,286	30 years lease perpetually renewable at a nominal cost	<b>23,311</b>	23,682
<b>The People's Republic of China</b>					
1 Southwest Street, Sanshui District, Foshan, Guangdong	Factory and trading depot	25,333	Leasehold expiring in year 2060	<b>6,860</b>	7,343
<b>Malaysia</b>					
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	<b>66</b>	77
Lot No.65644, Jalan Jelapang, Jelapang Industrial Area, Ipoh, Perak, Malaysia	Factory and trading depot	20,334	Leasehold expiring in year 2033	<b>1,038</b>	1,066
Lot No.154474, Jalan Jelapang, Jelapang Industrial Area, Ipoh, Perak, Malaysia	Factory and trading depot	6,101	Leasehold expiring in year 2048		
Lot No.1427, Jalan Jelapang, Jelapang Industrial Area, Ipoh, Perak, Malaysia	Factory and trading depot	5,299	Leasehold expiring in year 2894		

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 20. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Details of major 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	
				2023 \$'000	2022 \$'000
<b>Malaysia (Continued)</b>					
No. 7 Jalan Tandang, Petaling Jaya, Selangor, Malaysia	Office, factory and trading depot	11,635	Leasehold expiring in year 2058	<b>986</b>	1,139
No. 121 & 191, Jalan Utas, Shah Alam, Selangor, Malaysia	Factory and trading depot	39,775	Leasehold expiring in year 2073 and 2074 respectively	<b>4,381</b>	4,886
Lot PTD 90047, 6th Miles, Jalan Kota Tinggi, Pandan, Johor Bahru, Johor, Malaysia	Office, warehouse, factory and trading depot	27,757	Freehold	<b>1,737</b>	1,908
PLO 247, Jalan Gangsa, Pasir Gudang Industrial Estate, Johor, Malaysia	Industrial building and land	24,232	Leasehold expiring in year 2050	<b>3,131</b>	3,564
Lot 764, Mukim Bukit Raja, Shah Tempang Padang Jawa, Daerah Petaling, Malaysia	Office and warehouse	17,052	Freehold	<b>8,316</b>	9,152
				<b><u>132,394</u></b>	<b><u>137,778</u></b>

## 21. LEASES

### Nature of the Group's leasing activities – The Group as a lessee

#### Leasehold land and buildings

The Group has made upfront payments to secure the right-of-use of leasehold land for its manufacturing and warehousing operations. The Group and the Company lease office space for the purpose of back office operations. The Group leases warehouses for warehouse operations. These leasehold land and buildings are recognised within property, plant and equipment (Note 20).

The Group and the Company also makes annual lease payments for a leasehold land and the leasehold property is rented out to certain subsidiaries and regarded as owner-occupied by the Group. The leasehold property is classified as property, plant and equipment (Note 20) and investment properties (Note 19) by the Group and the Company respectively.

There are no externally imposed covenants on these lease arrangements.

#### Equipment and vehicles

The Group leases equipment for use in its back office operations and vehicles for its delivery and logistics operations.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 21. LEASES (CONTINUED)

Nature of the Group's leasing activities – The Group as a lessee (Continued)

### (a) Carrying amounts

ROU assets classified within property, plant and equipment

	The Group	
	2023 \$'000	2022 \$'000
Leasehold land and buildings	99,499	103,331
Plant and machinery, furniture and fittings	133	2,429
Motor vehicles and trucks	2,785	1,850
Total	<u>102,417</u>	<u>107,610</u>

ROU assets classified within investment properties

The right-of-use assets of the Group and the Company relating to the leasehold land presented under investment properties (Note 19) of the Group and the Company are stated at fair value and have carrying amounts at balance sheet date of \$38,434,000 and \$81,733,000 (2022: \$38,564,000 and \$80,295,000) respectively.

### (b) Depreciation charge during the year

	The Group	
	2023 \$'000	2022 \$'000
Leasehold land and buildings	4,274	4,848
Plant and machinery, furniture and fittings	434	256
Motor vehicles and trucks	1,296	1,067
Total	<u>6,004</u>	<u>6,171</u>

### (c) Interest expense

	The Group	
	2023 \$'000	2022 \$'000
Interest expense on lease liabilities (Note 7)	<u>766</u>	<u>589</u>

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 21. LEASES (CONTINUED)

**Nature of the Group's leasing activities – The Group as a lessee** (Continued)

### (d) Lease expense not capitalised in lease liabilities

	The Group	
	2023 \$'000	2022 \$'000
Lease expense – short-term leases	1,789	2,175
Lease expense – low-value leases	158	223
Total (Note 7)	<u>1,947</u>	<u>2,398</u>

(e) Total cash outflow of the Group for all the leases in 2023 was \$4,940,000 (2022: \$5,246,000).

(f) Addition of ROU assets of the Group during the financial year 2023 was \$4,169,000 (2022: \$5,086,000).

### (g) Future cash outflow which are not capitalised in lease liabilities

*Extension options*

Extension and termination options are included in a number of equipment leases across the group. Local teams are responsible for managing their leases and, accordingly, lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Extension and termination options are included, when possible, to provide local management with greater flexibility to align its need for access to equipment with the fulfilment of customer contracts. The individual terms and conditions used vary across the group.

The majority of extension and termination options held are exercisable only by lessee and not by the respective lessors. In cases in which lessee is not reasonably certain to use an optional extended lease term, payments associated with the optional period are not included within lease liabilities.

### Nature of the Group's leasing activities – The Group as a lessor

The Group has leased out investment properties to non-related parties for monthly lease payments. These leases are classified as operating leases because the risk and rewards incidental to ownership of the assets are not substantially transferred.

Rental income from investment properties are disclosed in Note 19.

### Nature of the Group's leasing activities – The Group as an intermediate lessor

*Subleases – classified as operating leases*

The Group acts as an intermediate lessor under arrangements in which it subleases offices, warehouses and apartments for monthly lease payments. The sublease periods do not form a major part of the remaining lease terms under the head leases and accordingly, the sub-leases are classified as operating leases.

Income from subleasing the offices, warehouses and apartments recognised during 2023 was \$9,032,000 (2022: \$9,108,000).

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 21. LEASES (CONTINUED)

**Nature of the Group's leasing activities – The Group as an intermediate lessor** (Continued)

*Subleases – classified as operating leases* (Continued)

Undiscounted lease payments from the operating leases to be received after the reporting date are as follows:

	The Group	
	2023 \$'000	2022 \$'000
Not later than one year	6,360	6,244
One to not later than two years	6,459	6,513
Two to not later than three years	6,573	6,534
Three to not later than four years	6,711	6,829
Four to not later than five years	6,692	3,845
Later than five years	3,751	2,141
<b>Total undiscounted lease payments</b>	<b>36,546</b>	<b>32,106</b>

## 22. INTANGIBLE ASSETS

	Note	The Group	
		2023 \$'000	2022 \$'000
<b>Composition:</b>			
Goodwill	(a)	–	–
Trademark licence and bottling right	(b)	3,109	3,315
Computer software licences	(c)	1,045	1,112
		<b>4,154</b>	<b>4,427</b>

### (a) Goodwill arising on consolidation

	The Group	
	2023 \$'000	2022 \$'000
Cost		
Beginning and end of financial year	5,361	5,361
Accumulated impairment losses		
Beginning and end of financial year	<b>(5,361)</b>	<b>(5,361)</b>
<b>Net book value</b>	<b>–</b>	<b>–</b>

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.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 22. INTANGIBLE ASSETS (CONTINUED)

### (b) Trademark licence and bottling right

	The Group	
	2023 \$'000	2022 \$'000
Cost		
Beginning and end of financial year	<u>4,122</u>	<u>4,122</u>
Accumulated amortisation		
Beginning of financial year	(807)	(600)
Amortisation charge	<u>(206)</u>	<u>(207)</u>
End of financial year	<u>(1,013)</u>	<u>(807)</u>
<b>Net book value</b>	<b><u>3,109</u></b>	<b><u>3,315</u></b>

### (c) Computer software licences

	The Group	
	2023 \$'000	2022 \$'000
Cost		
Beginning and end of financial year	<u>1,341</u>	<u>1,341</u>
Accumulated amortisation		
Beginning of financial year	(229)	(162)
Amortisation charge	<u>(67)</u>	<u>(67)</u>
End of financial year	<u>(296)</u>	<u>(229)</u>
<b>Net book value</b>	<b><u>1,045</u></b>	<b><u>1,112</u></b>

### (d) Amortisation expense on intangible assets included in the consolidated statement of comprehensive income is analysed as follows:

	The Group	
	2023 \$'000	2022 \$'000
Cost of sales	<u>206</u>	<u>207</u>
Administrative expenses	<u>67</u>	<u>67</u>
Total (Note 7)	<b><u>273</u></b>	<b><u>274</u></b>

## 23. 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 Group has adopted Amendments to SFRS(I)1-12 Deferred tax related to Assets and Liabilities arising from a Single Transaction from 1 January 2023. Refer to Note 2.1(i).



# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 23. DEFERRED INCOME TAXES (CONTINUED)

The amounts, determined after appropriate offsetting, are shown on the balance sheets as follows:

	The Group		The Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Deferred income tax assets	(3,003)	(3,531)	-	-
Deferred income tax liabilities	7,318	6,157	1,637	377
Net deferred income tax liabilities	4,315	2,626	1,637	377

The movements in 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 \$'000	Fair value gains-net \$'000	Right-of- use asset \$'000	Total \$'000
<b>The Group</b>				
<b>2023</b>				
Beginning of financial year	7,351	4,045	2,447	13,843
Currency translation differences	(397)	(252)	(42)	(691)
Debited/(Credited) to profit or loss	1,699	345	(170)	1,874
End of financial year	8,653	4,138	2,235	15,026
<b>2022</b>				
Beginning of financial year, as restated**	7,434	4,042	1,896	13,372
Currency translation differences	(371)	(315)	3	(683)
Debited to profit or loss	288	43	548	879
Charged to other comprehensive income	-	275	-	275
End of financial year	7,351	4,045	2,447	13,843

### Deferred income tax assets

	Unutilised capital allowances and tax losses \$'000	Provisions \$'000	Lease liabilities \$'000	Total \$'000
<b>The Group</b>				
<b>2023</b>				
Beginning of financial year	(4,924)	(3,118)	(3,175)	(11,217)
Currency translation differences	263	180	45	488
Debited/(Credited) to profit or loss	103	(130)	45	18
End of financial year	(4,558)	(3,068)	(3,085)	(10,711)

\*\* See note 2.1(i)

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 23. DEFERRED INCOME TAXES (CONTINUED)

### Deferred income tax assets (Continued)

	Unutilised capital allowances and tax losses \$'000	Provisions \$'000	Lease liabilities \$'000	Total \$'000
<b>The Group</b>				
<b>2022</b>				
Beginning of financial year, as restated**	(4,458)	(2,564)	(2,815)	(9,837)
Currency translation differences	205	134	(5)	334
Debited/(Credited) to profit or loss	(671)	(688)	(355)	(1,714)
End of financial year	<u>(4,924)</u>	<u>(3,118)</u>	<u>(3,175)</u>	<u>(11,217)</u>

\*\* See note 2.1(i)

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 \$26,778,000 (2022: \$30,320,000) and unrecognised capital allowances of \$474,000 (2022: \$1,584,000) 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. Tax losses of \$26,778,000 will expire between 2024 and 2033 (2022: tax losses of \$30,320,000 will expire between 2023 and 2032).

Deferred income tax liabilities of \$7,738,000 (2022: \$7,226,000) 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 \$25,792,000 (2022: \$24,086,000) at the balance sheet date.

### Deferred income tax liabilities

	Accelerated tax depreciation \$'000
<b>The Company</b>	
<b>2023</b>	
Beginning of financial year	377
Debited to profit or loss	1,260
End of financial year	<u>1,637</u>
<b>2022</b>	
Beginning of financial year	408
Credited to profit or loss	(31)
End of financial year	<u>377</u>

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 24. TRADE AND OTHER PAYABLES

	The Group		The Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Trade payables				
– Non-related parties	<b>20,166</b>	20,862	–	–
– An associated company	<b>211</b>	97	–	–
	<b>20,377</b>	20,959	–	–
Other payables				
– Non-related parties	<b>10,220</b>	10,130	<b>514</b>	409
– Subsidiaries	–	–	<b>1,990</b>	1,140
– Related party	–	100	–	–
	<b>10,220</b>	10,230	<b>2,504</b>	1,549
Accruals for operating expenses	<b>32,012</b>	27,793	<b>1,431</b>	1,125
	<b>62,609</b>	58,982	<b>3,935</b>	2,674

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

As at 31 December 2023, an amount of \$928,000 (2022: \$701,000) in relation to accruals for purchase of property, plant and equipment have been included in other payables and accruals.

As at 31 December 2023, an amount of \$651,000 (2022: \$726,000) for contract liabilities have been included in the amount of other payables.

## 25. LEASE LIABILITIES

	The Group		The Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Current	<b>1,939</b>	1,619	<b>303</b>	280
Non-current	<b>15,272</b>	15,868	<b>13,430</b>	13,015
	<b>17,211</b>	17,487	<b>13,733</b>	13,295

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

	The Group		The Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Not later than one year	<b>1,939</b>	1,619	<b>303</b>	280
Between one to five years	<b>3,135</b>	3,807	<b>1,293</b>	1,193
Later than five years	<b>12,137</b>	12,061	<b>12,137</b>	11,822
	<b>17,211</b>	17,487	<b>13,733</b>	13,295

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 25. LEASE LIABILITIES (CONTINUED)

Reconciliation of lease liabilities arising from financing activities:

	<b>The Group Lease liabilities \$'000</b>
Balance as at 1 January 2023	<u>17,487</u>
<b>Financing cash flows</b>	
Principal payment of lease liabilities	<u>(2,272)</u>
Interest paid	<u>(721)</u>
<b>Total financing cash flows</b>	<b>(2,993)</b>
<b>Non-cash changes</b>	
Additions during the year	<u>3,685</u>
Terminated during the year	<u>(1,606)</u>
Interest expense	<u>766</u>
Currency translation differences	<u>(128)</u>
<b>Total non-cash changes</b>	<b>2,717</b>
Balance as at 31 December 2023	<u><b>17,211</b></u>
	<b>The Group Lease liabilities \$'000</b>
Balance as at 1 January 2022	<u>15,746</u>
<b>Financing cash flows</b>	
Principal payment of lease liabilities	<u>(2,404)</u>
Interest paid	<u>(444)</u>
<b>Total financing cash flows</b>	<b>(2,848)</b>
<b>Non-cash changes</b>	
Additions during the year	<u>4,127</u>
Terminated during the year	<u>(29)</u>
Interest expense	<u>589</u>
Currency translation differences	<u>(98)</u>
<b>Total non-cash changes</b>	<b>4,589</b>
Balance as at 31 December 2022	<u><b>17,487</b></u>

## 26. PROVISIONS FOR OTHER LIABILITIES AND CHARGES

The amount recognised in the Group's balance sheet for defined benefit plans is analysed as follows:

	<b>The Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Present value of unfunded obligations/liabilities recognised in the balance sheet	<u><b>1,895</b></u>	<u>2,014</u>

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 26. PROVISIONS FOR OTHER LIABILITIES AND CHARGES (CONTINUED)

The retirement benefit plans are not funded. There are no plan assets or actual returns on plan assets.

As of 31 December 2023 and 2022, the provision for retirement benefits consists of non-contributory unfunded retirement benefits schemes for employees in Malaysia and Indonesia who are eligible under labour laws or collective bargaining agreements.

Movements in provision for retirement benefits are as follows:

	<b>The Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Beginning of financial year	<b>2,014</b>	2,006
Currency translation differences	<b>(125)</b>	(128)
<u>Charged to profit or loss (Note 8):</u>		
– Current service cost	<b>104</b>	120
– Interest cost	<b>94</b>	86
	<b>198</b>	206
<u>Credited to other comprehensive income:</u>		
Actuarial gain arising from remeasurements:		
– Demographic assumptions	<b>(2)</b>	–
– Financial assumptions	<b>91</b>	(94)
– Experience adjustment	<b>38</b>	97
	<b>127</b>	3
Benefits paid	<b>(319)</b>	(73)
End of financial year	<b>1,895</b>	2,014

The significant weighted actuarial assumptions used were as follows:

	<b>2023</b>	<b>2022</b>
	<b>%</b>	<b>%</b>
Discount rate	<b>4.8</b>	5.3
Salary growth rate	<b>4.8</b>	4.6

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as at the end of the reporting period, assuming all other assumptions were held constant:

	<b>The Group</b>	
	<b>(Decrease)/Increase in defined benefit obligations</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Discount rate		
– Increase by 1%	<b>(151)</b>	(152)
– Decrease by 1%	<b>162</b>	162
Salary growth rate		
– Increase by 1%	<b>170</b>	172
– Decrease by 1%	<b>(160)</b>	(164)

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 26. PROVISIONS FOR OTHER LIABILITIES AND CHARGES (CONTINUED)

The above sensitivity analysis is based on a change in assumption while holding all other assumptions constant. The methods and types of assumptions used in preparing the sensitivity analysis did not change when compared to previous period.

The weighted average duration of the defined benefit obligation is 8 years (2022: 8 years) and expected maturity analysis of undiscounted retirement benefits is as follows:

	The Group	
	2023 \$'000	2022 \$'000
Less than one year	128	226
Between one and five years	654	921
More than five years	1,950	892
	<b>2,732</b>	<b>2,039</b>

## 27. SHARE CAPITAL

	Number of ordinary shares for issued share capital '000	Amount of share capital \$'000
<b>31 December 2023</b>		
Beginning of financial year	602,882	247,955
Issue of new share pursuant to Scrip Dividend Scheme	15,738	10,387
End of financial year	<b>618,620</b>	<b>258,342</b>
<b>31 December 2022</b>		
Beginning of financial year	590,663	237,814
Issue of new share pursuant to Scrip Dividend Scheme	12,219	10,141
End of financial year	<b>602,882</b>	<b>247,955</b>

All issued ordinary shares are fully paid. There is no par value for these ordinary shares. Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 27. SHARE CAPITAL (CONTINUED)

### Yeo Hiap Seng Limited Share Incentive Plan

Yeo Hiap Seng Limited 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 Committee from eligible categories of persons comprising (i) Group employees who hold such rank as may be designated by the Committee from time to time, (ii) non-executive directors who, in the opinion of the Committee, have contributed or will contribute to the success of the Group; and (iii) associated company employees who hold such rank as may be designated by the Committee from time to time and who, in the opinion of the Committee, have contributed or will contribute to the success of the Group. 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 and subsidiary holdings) on the day preceding that date. Unless earlier terminated or extended with the approval of the shareholders 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 exercise price per share applicable to the option. The exercise 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. The maximum discount which may be given in respect of that Option shall not exceed 20% of the exercise price in respect of that option.

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 rank, job performance, years of service and potential for future development and his contribution to the success and development of the Group.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 27. SHARE CAPITAL (CONTINUED)

### Yeo Hiap Seng Limited Share Incentive Plan (Continued)

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.

There was no grant of awards made pursuant to the Plan in 2023.

No share option has been granted under the Plan in 2023.

## 28. CAPITAL RESERVE

Capital reserve of the Group arises from the consolidation of a subsidiary.

## 29. OTHER RESERVES

### (a) Composition:

	The Group	
	2023 \$'000	2022 \$'000
Property revaluation reserve	5,690	5,690
Fair value reserve	(8,159)	(2,015)
Foreign currency translation reserve	(37,224)	(23,964)
General reserve	(38,418)	(38,418)
	<b>(78,111)</b>	<b>(58,707)</b>

### (b) Movements:

	The Group	
	2023 \$'000	2022 \$'000
(i) <i>Property revaluation reserve</i>		
Beginning of financial year	5,690	3,219
Revaluation gains (Note 20)	-	2,752
Tax on revaluation gains (Note 9(c))	-	(275)
Transfer to retained profits on realisation	-	(6)
End of financial year	<b>5,690</b>	<b>5,690</b>
(ii) <i>Fair value reserve</i>		
Beginning of financial year	(2,015)	(1,723)
Fair value losses	(6,144)	(292)
End of financial year	<b>(8,159)</b>	<b>(2,015)</b>



# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 29. OTHER RESERVES (CONTINUED)

### (b) Movements: (Continued)

	The Group	
	2023 \$'000	2022 \$'000
(iii) Foreign currency translation reserve		
Beginning of financial year	(23,964)	(8,910)
Net currency translation differences of financial statements of foreign subsidiaries, associated companies and a joint venture	(13,260)	(15,054)
End of financial year	<u>(37,224)</u>	<u>(23,964)</u>
(iv) General reserve		
Beginning of financial year	(38,418)	(38,415)
Transfer to retained profits on realisation	-	(3)
End of financial year	<u>(38,418)</u>	<u>(38,418)</u>

Other reserves are non-distributable. General reserve primarily arose from the acquisition of non-controlling interests in a subsidiary in 2013.

## 30. DIVIDENDS

	The Group	
	2023 \$'000	2022 \$'000
Ordinary dividends paid		
Final dividend paid in respect of the previous financial year of 2 cents (2022: 2 cents) per share, tax exempt (1-tier)		
– new shares issued	10,387	10,141
– cash	1,671	1,672
	<u>12,058</u>	<u>11,813</u>

The directors have proposed a final dividend of 2 cents per ordinary share, tax exempt (1-tier) amounting to \$12,372,000 (2022: \$12,058,000) for approval by shareholders at the forthcoming annual general meeting to be convened for the financial year ended 31 December 2023.

These financial statements do not reflect the proposed final dividend, which will be accounted for in shareholders' equity as an appropriation of retained profits in the financial year ending 31 December 2024.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 31. LITIGATIONS

In 2020, a wholly-owned indirect subsidiary in Malaysia, Yeo Hiap Seng Trading Sdn Bhd ("YHS Trading"), was served with three Writs of Summonses ("Sengjaya's Writs"), filed in Malaysia, claiming in aggregate Malaysian Ringgit ("MYR") 13.7 million, after YHS Trading had terminated its non-exclusive distribution agreements with the Sengjaya group of companies ("Sengjaya"). YHS Trading had filed its defences and served its Writs of Summonses ("YHS' Writs") on Sengjaya and applied for summary judgments for YHS' Writs and to strike out Sengjaya's Writs.

In 2021, the High Court of Malaya at Shah Alam ("the High Court") had awarded the cases in favour of YHS Trading in all the lawsuits. Sengjaya had since appealed. In August 2022, Sengjaya's appeals were dismissed by the Court of Appeal.

In 2022, YHS Trading received MYR 4.7 million from Sengjaya for the judgements awarded by the High Court. The Group has recognised write-back of impairment on trade receivables of MYR 4.7 million (\$1.5 million) in the comprehensive income statement for the full year ended 31 December 2022.

In January 2023, Sengjaya filed a new application against YHS Trading to stop any further or pending execution proceedings on one of the summary judgements. In May 2023, Sengjaya's application was dismissed by the Court.

On 12 July 2023, Sengjaya filed a new, similar, application against YHS Trading to stop any further or pending execution proceedings on the same summary judgement. The case hearing date has yet to be fixed.

As at 31 December 2023, the case hearing date has fixed on 26 February 2024.

## 32. COMMITMENTS

### 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	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Capital commitments in respect of purchase and construction of property, plant and equipment approved and contracted for	<u>1,545</u>	<u>1,815</u>	<u>25</u>	<u>219</u>

## 33. 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 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.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 33. FINANCIAL RISK MANAGEMENT (CONTINUED)

### Financial risk factors (Continued)

#### (a) Market risk

##### (i) Currency risk

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

Whenever possible, in their respective dealings with non-related 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 exposures are as follows:

	← SGD equivalent →								Total \$'000
	SGD \$'000	USD \$'000	HKD \$'000	RMB \$'000	RM \$'000	IDR \$'000	EUR \$'000	Other <sup>***</sup> \$'000	
<b>At 31 December 2023</b>									
<b>Financial assets</b>									
Cash and cash equivalents	27,585	13,143	886	16,135	6,041	321	-	30	64,141
Trade and other receivables <sup>^</sup>	22,559	4,823	490	2,996	28,792	4,700	-	174	64,534
Intra-group balances	183,125	63,732	-	7,591	47,921	4	-	-	302,373
Financial assets, at amortised costs	136,191	39,788	-	-	-	-	-	-	175,979
Financial assets, at FVPL	-	1,784	-	-	-	-	-	-	1,784
Financial assets, at FVOCI	7,254	1,793	5,592	-	-	-	216	26	14,881
	<u>376,714</u>	<u>125,063</u>	<u>6,968</u>	<u>26,722</u>	<u>82,754</u>	<u>5,025</u>	<u>216</u>	<u>230</u>	<u>623,692</u>
<b>Financial liabilities</b>									
Intra-group balances	(183,125)	(63,732)	-	(7,591)	(47,921)	(4)	-	-	(302,373)
Lease liabilities	(14,649)	(277)	(156)	-	(2,126)	-	-	(3)	(17,211)
Trade and other payables <sup>^^</sup>	(17,757)	(7,704)	(443)	(4,005)	(29,947)	(2,090)	(10)	(2)	(61,958)
	<u>(215,531)</u>	<u>(71,713)</u>	<u>(599)</u>	<u>(11,596)</u>	<u>(79,994)</u>	<u>(2,094)</u>	<u>(10)</u>	<u>(5)</u>	<u>(381,542)</u>
<b>Net financial assets</b>	<b>161,183</b>	<b>53,350</b>	<b>6,369</b>	<b>15,126</b>	<b>2,760</b>	<b>2,931</b>	<b>206</b>	<b>225</b>	<b><u>242,150</u></b>
Less: Net financial assets denominated in the respective entities' functional currencies	(176,599)	(37,589)	(776)	(15,158)	(2,791)	(2,931)	-	3	
<b>Currency exposure</b>	<b><u>(15,416)</u></b>	<b><u>15,761</u></b>	<b><u>5,593</u></b>	<b><u>(32)</u></b>	<b><u>(31)</u></b>	<b><u>-</u></b>	<b><u>206</u></b>	<b><u>228</u></b>	

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 33. FINANCIAL RISK MANAGEMENT (CONTINUED)

### Financial risk factors (Continued)

#### (a) Market risk (Continued)

##### (i) Currency risk (Continued)

The Group's currency exposures are as follows (continued):

	← SGD equivalent →								Total \$'000
	SGD \$'000	USD \$'000	HKD \$'000	RMB \$'000	RM \$'000	IDR \$'000	EUR \$'000	Other <sup>AAA</sup> \$'000	
<b>At 31 December 2022</b>									
<b>Financial assets</b>									
Cash and cash equivalents	153,744	37,023	2,071	16,345	5,068	834	–	34	215,119
Trade and other receivables <sup>A</sup>	25,691	5,523	579	2,783	29,252	3,496	–	414	67,738
Intra-group balances	174,028	70,801	–	7,734	53,300	612	–	–	306,475
Financial assets, at FVPL	–	3,442	–	–	–	–	–	–	3,442
Financial assets, at FVOCI	7,009	1,966	11,841	–	–	–	178	31	21,025
	<u>360,472</u>	<u>118,755</u>	<u>14,491</u>	<u>26,862</u>	<u>87,620</u>	<u>4,942</u>	<u>178</u>	<u>479</u>	<u>613,799</u>
<b>Financial liabilities</b>									
Intra-group balances	(174,028)	(70,801)	–	(7,734)	(53,300)	(612)	–	–	(306,475)
Lease liabilities	(14,711)	(207)	(46)	(1,825)	(695)	–	–	(3)	(17,487)
Trade and other payables <sup>AA</sup>	(15,710)	(6,162)	(413)	(5,276)	(12,598)	(18,073)	(7)	(17)	(58,256)
	<u>(204,449)</u>	<u>(77,170)</u>	<u>(459)</u>	<u>(14,835)</u>	<u>(66,593)</u>	<u>(18,685)</u>	<u>(7)</u>	<u>(20)</u>	<u>(382,218)</u>
<b>Net financial assets/ (liabilities)</b>	156,023	41,585	14,032	12,027	21,027	(13,743)	171	459	<u>231,581</u>
Less: Net financial (assets)/liabilities denominated in the respective entities' functional currencies	(176,922)	(34,723)	(2,190)	(12,110)	(21,156)	13,743	–	3	
<b>Currency exposure</b>	<u>(20,899)</u>	<u>6,862</u>	<u>11,842</u>	<u>(83)</u>	<u>(129)</u>	<u>–</u>	<u>171</u>	<u>462</u>	

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 33. FINANCIAL RISK MANAGEMENT (CONTINUED)

### Financial risk factors (Continued)

#### (a) Market risk (Continued)

##### (i) Currency risk (Continued)

The Company's currency exposures are as follows:

	<b>SGD equivalent USD \$'000</b>
<b>At 31 December 2023</b>	
<b>Financial assets</b>	
Other receivables <sup>^</sup>	<b>25</b>
<b>At 31 December 2022</b>	
<b>Financial assets</b>	
Other receivables <sup>^</sup>	<b>25</b>

Legend:

SGD – Singapore Dollar

USD – United States Dollar

HKD – Hong Kong Dollar

RMB – Chinese Renminbi

RM – Malaysian Ringgit

IDR – Indonesian Rupiah

EUR – Euro

<sup>^</sup> – Exclude prepayments and deposits for property, plant and equipment

<sup>^^</sup> – Exclude contract liabilities

<sup>^^^</sup> – Other currencies are individually insignificant

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 33. FINANCIAL RISK MANAGEMENT (CONTINUED)

### Financial risk factors (Continued)

#### (a) Market risk (Continued)

##### (i) Currency risk (Continued)

If the USD and HKD had changed against the SGD by 2% (2022: 2%) and 2% (2022: 2%) respectively with all other variables including tax rate being held constant, the effects arising from the net financial asset/(liability) position that are exposed to currency risk would have been as follows:

	Increase/(Decrease) in net profit	
	2023 \$'000	2022 \$'000
<b>The Group</b>		
USD against SGD		
– strengthened	262	114
– weakened	(262)	(114)
HKD against SGD		
– strengthened	93	197
– weakened	(93)	(197)

The currency risk analysis for RMB, EUR, RM and IDR 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.

The currency risk analysis for USD is insignificant to the Company.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 33. FINANCIAL RISK MANAGEMENT (CONTINUED)

### Financial risk factors (Continued)

#### (a) Market risk (Continued)

##### (ii) Price risk

The Group was exposed to securities price risk arising from other financial assets listed in Singapore, United States of America, Hong Kong, Europe and Japan. If weighted average prices of the Group's securities listed in Singapore, United States of America, Hong Kong, Europe and Japan had changed by 4.3% (2022: 7.2%), 0.1% (2022: 4.4%), 22.8% (2022: 3.1%), 5.3% (2022: 2.1%) and 9.6% (2022: 1.9%) respectively with all other variables including tax rate being held constant, the effects on other comprehensive income would have been:

	Increase/(Decrease)	
	2023	2022
	Other	Other
	comprehensive	comprehensive
	income	income
	\$'000	\$'000
	<u>          </u>	<u>          </u>
<b>The Group</b>		
Listed in Singapore		
– increased by	311	503
– decreased by	(311)	(503)
Listed in USA		
– increased by	2	86
– decreased by	(2)	(86)
Listed in Hong Kong		
– increased by	1,274	369
– decreased by	(1,274)	(369)
Listed in Europe		
– increased by	11	4
– decreased by	(11)	(4)
Listed in Japan		
– increased by	3	1
– decreased by	(3)	(1)
	<u>          </u>	<u>          </u>

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 33. FINANCIAL RISK MANAGEMENT (CONTINUED)

### Financial risk factors (Continued)

#### (a) Market risk (Continued)

##### (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 mainly in SGD fixed deposits with financial institutions. If SGD interest rates had increased/decreased by 0.5% (2022: 0.5%) with other variables including tax rate being held constant, the effects on net profit would have been as follows:

	Increase/(Decrease) in net profit	
	2023	2022
	\$'000	\$'000
<b>The Group</b>		
SGD interest rate		
– strengthened	674	622
– weakened	(674)	(622)
<b>The Company</b>		
SGD interest rate		
– strengthened	100	34
– weakened	(100)	(34)

There were no outstanding borrowings in 2023 and 2022.

#### (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. 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.



# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 33. FINANCIAL RISK MANAGEMENT (CONTINUED)

### Financial risk factors (Continued)

#### (b) Credit risk (Continued)

As the Group obtains bankers' guarantees and cash deposits from certain customers, the maximum exposure to credit risk of these financial instruments for the Group and the Company is the carrying amount presented on the balance sheet. The exposure to credit risk for the remaining trade receivables of the Group is as follows:

	The Group	
	2023 \$'000	2022 \$'000
<b>By geographical areas</b>		
Singapore	9,099	13,911
Malaysia	27,721	27,313
Cambodia and Vietnam	279	843
China and Hong Kong	647	647
North America	2,000	3,397
Indonesia	4,124	2,843
Europe	1,621	1,115
Other countries	277	410
Trade receivables – net (Note 12)	45,768	50,479
Less: Amounts covered by bankers' guarantees and cash deposits	(10,312)	(9,327)
Maximum exposure to credit risk for trade receivables	<u>35,456</u>	<u>41,152</u>
<b>By types of customers</b>		
<u>Consumer food and beverage products</u>		
Related parties	95	129
Non-related parties:		
– Supermarkets, minimart chains, provision shops and gas stations	12,807	12,975
– Hotels, bars/pubs, restaurants, food courts and coffee shops	1,429	1,324
– Wholesalers and distributors	29,491	28,951
– Vending sales	73	183
– Other	1,873	6,917
	<u>45,768</u>	<u>50,479</u>

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 33. FINANCIAL RISK MANAGEMENT (CONTINUED)

### Financial risk factors (Continued)

#### (b) Credit risk (Continued)

Movements in credit loss allowance on trade receivables:

	The Group	
	2023 \$'000	2022 \$'000
Beginning of financial year	576	2,213
– Currency translation differences	(36)	(77)
Loss allowance recognised in profit or loss during the year on:		
– Assets originated	1,899	366
– Reversal of unutilised amounts	(1,435)	(1,888)
	464	(1,522)
– Allowance utilised	(103)	(38)
End of financial year	901	576

#### (i) Trade receivables

The Group uses a provision matrix to measure the lifetime expected credit loss allowance for trade receivables.

In measuring the expected credit losses, trade receivables are grouped based on shared credit risk characteristics. In calculating the expected credit loss rates, the Group considers historical loss rates for each geographic region of customers and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the sector default risk rate of the countries in which it sells goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates if there are significant changes in these factors.

Trade receivables are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. The Group considers a financial asset as doubtful if the counterparty fails to make contractual payments within 90 days when they fall due, and provides full credit loss allowance for the financial asset when a debtor fails to make contractual payments greater than 120 days past due if there are no strong indicators of recoverability. Where receivables are written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 33. FINANCIAL RISK MANAGEMENT (CONTINUED)

### Financial risk factors (Continued)

#### (b) Credit risk (Continued)

##### (i) Trade receivables (Continued)

The Group's credit risk exposure in relation to trade receivables under SFRS(I) 9 are set out in the provision matrix as follows:

	<b>Weighted average loss rate %</b>	<b>The Group Net carrying amount* \$'000</b>	<b>Credit loss allowance \$'000</b>
<b>31 December 2023</b>			
<b>By geographical areas</b>			
Singapore	1.8%	<b>9,099</b>	166
Malaysia	2.2%	<b>20,604</b>	461
Cambodia and Vietnam	–	<b>279</b>	–
China and Hong Kong	1.9%	<b>639</b>	12
North America	13.1%	<b>2,000</b>	262
Indonesia	–	–	–
Europe	–	<b>1,621</b>	–
Other countries	–	<b>250</b>	–
		<b>34,492</b>	<b>901</b>
<b>31 December 2022</b>			
<b>By geographical areas</b>			
Singapore	1.0%	<b>13,911</b>	133
Malaysia	2.2%	<b>20,304</b>	442
Cambodia and Vietnam	–	<b>801</b>	–
China and Hong Kong	0.2%	<b>639</b>	1
North America	–	<b>3,397</b>	–
Indonesia	–	<b>575</b>	–
Europe	–	<b>1,115</b>	–
Other countries	–	<b>410</b>	–
		<b>41,152</b>	<b>576</b>

\* Excluding trade receivables covered by collaterals.

There is no concentration of customers' credit risk for the Group.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 33. FINANCIAL RISK MANAGEMENT (CONTINUED)

### Financial risk factors (Continued)

#### (b) Credit risk (Continued)

##### (ii) Cash and cash equivalents

Cash and cash equivalents are mainly deposits with banks with high credit-ratings assigned by international credit-rating agencies and are subject to immaterial credit loss.

##### (iii) Other receivables and loans to subsidiaries

The Group held other receivables from non-related parties, related parties and loans to a non-related party of \$17,115,000 (2022: \$15,112,000), and the Company held other receivables from non-related parties, loans to a non-related party and subsidiaries of \$72,135,000 (2022: \$73,977,000) and non-current loans to subsidiaries (net of impairment) of \$44,618,000 (2022: \$44,618,000).

Impairment on these balances has been measured on the twelve month expected credit loss basis which reflects the low credit risk of exposures. The amount of the allowance on these balances is insignificant.

#### (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 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. Trade and other payables balances due within twelve months equal their carrying amounts as the impact of discounting is not significant.

	Less than one year \$'000	Between one and five years \$'000	More than five years \$'000	Total \$'000
<b>The Group</b>				
<b>At 31 December 2023</b>				
Trade and other payables <sup>^</sup>	(61,958)	-	-	(61,958)
Lease liabilities	(2,406)	(4,532)	(16,568)	(23,506)
	<u>(64,364)</u>	<u>(4,532)</u>	<u>(16,568)</u>	<u>(85,464)</u>
<b>At 31 December 2022</b>				
Trade and other payables <sup>^</sup>	(58,256)	-	-	(58,256)
Lease liabilities	(2,246)	(5,739)	(16,567)	(24,552)
	<u>(60,502)</u>	<u>(5,739)</u>	<u>(16,567)</u>	<u>(82,808)</u>

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 33. FINANCIAL RISK MANAGEMENT (CONTINUED)

### Financial risk factors (Continued)

#### (c) Liquidity risk (Continued)

	Less than one year \$'000	Between one and five years \$'000	More than five years \$'000	Total \$'000
<b>The Company</b>				
<b>At 31 December 2023</b>				
Other payables	(3,935)	–	–	(3,935)
Lease liabilities	(656)	(2,624)	(16,568)	(19,848)
	<u>(4,591)</u>	<u>(2,624)</u>	<u>(16,568)</u>	<u>(23,783)</u>
<b>At 31 December 2022</b>				
Other payables	(2,674)	–	–	(2,674)
Lease liabilities	(622)	(2,486)	(16,325)	(19,433)
	<u>(3,296)</u>	<u>(2,486)</u>	<u>(16,325)</u>	<u>(22,107)</u>

^ Excluding contract liabilities.

#### (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 lease liabilities plus trade and other payables less cash and cash equivalents and current portion of other financial assets. 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. There were no changes in the Group's approach to capital management during the year.

The gearing ratios as at 31 December 2023 and 31 December 2022 are as follows:

	The Group		The Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Net debt	–	–	–	7,118
Total equity	556,932	571,427	522,566	515,851
Total capital employed	<u>556,932</u>	<u>571,427</u>	<u>522,566</u>	<u>522,969</u>
Gearing ratio	<u>Nil</u>	<u>Nil</u>	<u>Nil</u>	<u>1%</u>

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 33. FINANCIAL RISK MANAGEMENT (CONTINUED)

### Financial risk factors (Continued)

#### (d) Capital risk (Continued)

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

#### (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 (i.e. as prices) or indirectly (i.e. 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 \$'000	Level 3 \$'000	Total \$'000
<b>The Group</b>			
<b>31 December 2023</b>			
<b>Assets</b>			
Financial assets, at FVPL	–	1,784	1,784
Financial assets, at FVOCI	<b>14,881</b>	–	<b>14,881</b>
<b>31 December 2022</b>			
<b>Assets</b>			
Financial assets, at FVPL	–	3,442	3,442
Financial assets, at FVOCI	21,025	–	21,025

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 instrument that is not traded in an active market is determined by using the valuation from the latest sales transaction in June 2023.

There were no financial assets measured under Level 2 during the years ended 31 December 2023 and 2022.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 33. FINANCIAL RISK MANAGEMENT (CONTINUED)

### Financial risk factors (Continued)

#### (e) Fair value measurements (Continued)

The following table presents the changes in Level 3 instruments:

	Unquoted equity securities \$'000
<b>The Group</b>	
<b>2023</b>	
Beginning of financial year	3,442
Fair value losses recognised in profit or loss (Note 6)	<u>(1,658)</u>
End of financial year	<u>1,784</u>
Total unrealised losses for the period included in profit or loss for assets held at the end of the financial year <sup>(a)</sup>	<u>(1,658)</u>
<b>The Group</b>	
<b>2022</b>	
Beginning of financial year	3,557
Fair value losses recognised in profit or loss (Note 6)	<u>(115)</u>
End of financial year	<u>3,442</u>
Total unrealised losses for the period included in profit or loss for assets held at the end of the financial year <sup>(a)</sup>	<u>(115)</u>

<sup>(a)</sup> The unrealised losses are presented in "other losses" in the consolidated statement of comprehensive income.

### Valuation techniques and inputs used in Level 3 fair value measurements

Description	Fair value as at 31 December 2023 (\$'000)	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs
Unquoted equity securities	<b>\$1,784</b> (2022: \$3,442)	Market approach using Option Pricing Model* (2022: latest sales transaction in June 2022)	Not Applicable.	Not Applicable.

\* Change in valuation technique due to the absence of the recent funding transaction in 2023.

#### (f) Financial instruments by category

The carrying amount of the different categories of financial instruments are as follows:

	The Group		The Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Financial assets at amortised cost	<b>304,654</b>	282,857	<b>141,232</b>	127,502
Financial liabilities at amortised cost	<b>(79,169)</b>	(75,743)	<b>(17,668)</b>	(15,969)

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 34. IMMEDIATE AND ULTIMATE HOLDING COMPANY

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

## 35. 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	
	2023	2022
	\$'000	\$'000
Amount billed by Far East Hospitality Real Estate Investment Trust:		
– Purchases of services	(1)	(2)
– Rental expense	(29)	(29)
Amount billed to/(by) Sino Land Company Limited Group:		
– Sales of goods	293	239
– Purchases of services	(16)	(11)
Amount billed to/(by) other related parties:		
– Sales of goods	688	619
– Purchase of services	(593)	(710)
– Rental expense	(91)	(99)
– Reimbursement of expenses/costs	1,228	160
Amount billed to/(by) TM Foods Sdn. Bhd Group.:		
– Sales of goods	29	21
– Purchases of goods	(2,251)	(2,917)
Service/Lease commitment payable to:		
– Far East Hospitality Real Estate Investment Trust	–	(29)
– Other related parties	(689)	(1,138)

Far East Hospitality Real Estate Investment Trust is a fellow subsidiary of the Company.

Sino Land Company Limited is a shareholder of the Company.

TM Foods Sdn. Bhd. is an associated company of the Group.

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

Outstanding balances at 31 December 2023, arising from sales/purchases of goods and services, are unsecured and receivable/payable within twelve months from balance sheet date and are disclosed in Notes 12 and 24 respectively.



# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 35. RELATED PARTY TRANSACTIONS (CONTINUED)

### (b) Key management personnel compensation

Key management personnel compensation is as follows:

	The Group	
	2023 \$'000	2022 \$'000
Wages and salaries	3,611	3,471
Directors' fees	789	720
Employer's contribution to defined contribution plans including Central Provident Fund	140	138
Other short-term employee benefits	318	1,598
	<b>4,858</b>	<b>5,927</b>

## 36. 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 two main business segments:

- Consumer food and beverage products
- Others

The consumer food and beverages products segment is the main business of the Group which is principally in the business of manufacture, sale and distribution of beverages and food products. Revenue of the segment is primarily derived from sales of beverages and food products and also includes sales of non-food items the Group carries on the distribution network as well as service fees from extending warehousing services to non-related parties. The consumer food and beverage products segment operates across various markets and the CEO assesses performance and makes decisions about resources to be allocated on an overall segment basis.

Others segment of the Group mainly comprise investment property holding, equity investment holding and property development.

Revenue from major products, services and others are disclosed in Note 4.

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, other financial assets, inventories, receivables and operating cash, and exclude current income tax recoverable, deferred income tax assets and investments in associated companies and a joint venture. Segment liabilities comprise operating liabilities and exclude items such as current income tax liabilities and deferred income tax liabilities.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 36. SEGMENT INFORMATION (CONTINUED)

The segment information provided to the CEO for the reportable segments is as follows:

	<b>Consumer food and beverage products \$'000</b>	<b>Others \$'000</b>	<b>Elimination \$'000</b>	<b>The Group \$'000</b>
<b>Year ended 31 December 2023</b>				
Revenue				
– External sales	332,726	16	–	332,742
– Inter-segment sales	–	5,419	(5,419)	–
	<u>332,726</u>	<u>5,435</u>	<u>(5,419)</u>	<u>332,742</u>
Profit/(Loss) from operation	(1,969)	14,763	–	12,794
Share of profit of associated companies and a joint venture	338	–	–	338
Segment profit/(loss)	<u>(1,631)</u>	<u>14,763</u>	<u>–</u>	<u>13,132</u>
Finance expense				(766)
Profit before income tax				12,366
Income tax expense				(5,659)
<b>Net profit</b>				<b><u>6,707</u></b>
Segment assets	433,272	340,224	(135,190)	638,306
Associated companies and a joint venture	4,902	–	–	4,902
Unallocated assets				4,073
<b>Consolidated total assets</b>				<b><u>647,281</u></b>
Segment liabilities	207,256	11,562	(137,103)	81,715
Unallocated liabilities				8,634
<b>Consolidated total liabilities</b>				<b><u>90,349</u></b>
<b>Other segment items</b>				
Additions to property, plant and equipment	10,973	–	–	<b>10,973</b>
Fair value losses on financial assets designated as FVPL at initial recognition	–	1,658	–	<b>1,658</b>
Losses on disposal of property, plant and equipment	1,155	103	–	<b>1,258</b>
Reversal of impairment on property, plant and equipment	(192)	–	–	<b>(192)</b>
Interest income	(1,916)	(7,757)	–	<b>(9,673)</b>
Depreciation	16,619	–	–	<b>16,619</b>
Amortisation of intangible assets	273	–	–	<b>273</b>
Amortisation of capitalised letting fees	–	88	–	<b>88</b>
Fair value gains on investment properties – net	–	(2,717)	–	<b>(2,717)</b>
Currency translation loss – net	(459)	460	–	<b>1</b>

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 36. SEGMENT INFORMATION (CONTINUED)

The segment information provided to the CEO for the reportable segments is as follows (continued):

	<b>Consumer food and beverage products \$'000</b>	<b>Others \$'000</b>	<b>Elimination \$'000</b>	<b>The Group \$'000</b>
<b>Year ended 31 December 2022</b>				
Revenue				
– External sales	358,059	17	–	358,076
– Inter-segment sales	–	5,928	(5,928)	–
	<u>358,059</u>	<u>5,945</u>	<u>(5,928)</u>	<u>358,076</u>
Profit/(Loss) from operation	(3,479)	10,139	–	6,660
Share of profit of associated companies and a joint venture	203	–	–	203
Segment profit/(loss)	<u>(3,276)</u>	<u>10,139</u>	<u>–</u>	<u>6,863</u>
Finance expense				<u>(589)</u>
Profit before income tax				6,274
Income tax expense				<u>(3,886)</u>
<b>Net profit</b>				<u>2,388</u>
Segment assets	447,854	342,475	(142,639)	647,690
Associated companies and a joint venture	5,895	–	–	5,895
Unallocated assets				<u>4,294</u>
<b>Consolidated total assets</b>				<u>657,879</u>
Segment liabilities	213,103	10,736	(145,356)	78,483
Unallocated liabilities				<u>7,969</u>
<b>Consolidated total liabilities</b>				<u>86,452</u>
<b>Other segment items</b>				
Additions to property, plant and equipment	15,513	–	–	15,513
Fair value losses on financial assets designated as FVPL at initial recognition	–	115	–	115
Gains on disposal of property, plant and equipment	(35)	–	–	(35)
Interest income	(537)	(2,747)	–	(3,284)
Depreciation	17,553	–	–	17,553
Amortisation of intangible assets	274	–	–	274
Amortisation of capitalised letting fees	–	71	–	71
Fair value gains on investment properties – net	–	(131)	–	(131)
Currency translation loss – net	<u>543</u>	<u>–</u>	<u>–</u>	<u>543</u>

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 36. SEGMENT INFORMATION (CONTINUED)

### Geographical information

The Group's main business segments operate in four 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, food and other products; and provision of vending and warehousing services.
- Malaysia – the operations in this area are principally production, marketing, sale and distribution of beverages, food and other products.
- Cambodia – the operations in this area are principally production, marketing, sale and distribution of beverages and food products.
- China – the operations in this area are principally production, marketing, sale and distribution of beverages, food and other products.
- Other countries – the operations include manufacturing; sale and distribution of beverages and food products; and investment holding.

With the exception of Singapore, Malaysia and China, 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 in a joint venture, investment properties, property, plant and equipment, intangible assets, other financial assets and non-current trade and other receivables, are shown by the geographical area where the assets are located.

	Revenue		Non-current assets	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Singapore	<b>77,357</b>	81,828	<b>106,181</b>	118,732
Malaysia	<b>150,392</b>	155,025	<b>90,098</b>	95,857
China	<b>26,347</b>	31,383	<b>24,330</b>	28,609
Other countries	<b>78,646</b>	89,840	<b>65,052</b>	67,545
	<b>332,742</b>	358,076	<b>285,661</b>	310,743

## 37. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

A number of new accounting standards and amendments to standards are effective for annual periods beginning after 1 January 2023 and earlier application is permitted. However, the Group has not early adopted the new or amended accounting standards in preparing these financial statements.

- (i) Amendments to SFRS(I) 1: Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants
- (ii) Amendments to SFRS(I) 1-7 and SFRS(I) 7: Supplier Finance Arrangements
- (iii) Amendments to SFRS(I) 16: Lease Liability in a Sale and Leaseback
- (iv) Amendments to SFRS (I) 1-21: Lack of Exchangeability

The amendments to SFRS(I)s are not expected to have a significant impact on the Group's consolidated financial statements and the Company's statement of financial position.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 38. 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 18 March 2024.

## 39. LISTING OF SIGNIFICANT COMPANIES IN THE GROUP

Name of company/ Country of incorporation	Principal activities	Country of business	Equity holding	
			2023 %	2022 %
<i>Significant subsidiaries held by the Company</i>				
YHS (Singapore) Pte Ltd (Singapore) <sup>(1)</sup>	Investment holding, manufacture, sale, distribution and export of beverages, sauces, canned food and provision of vending, warehousing services	Singapore	100	100
YHS International Pte Ltd (Singapore) <sup>(1)</sup>	Distribution of food and beverages	Singapore	100	100
YHS Investment Pte Ltd (Singapore) <sup>(1)</sup>	Investment holding	Singapore	100	100
Yeo Hiap Seng Investment Pte Ltd (Singapore) <sup>(1)</sup>	Investment holding	Singapore	– <sup>(4)</sup>	100
<i>Significant subsidiaries held by subsidiaries</i>				
Yeo Hiap Seng (Guangzhou) Food & Beverages Ltd (People's Republic of China) <sup>(2)</sup>	Distribution of beverages	The People's Republic of China	100	100
Yeo Hiap Seng (Guangdong) Food & Beverages Ltd (People's Republic of China) <sup>(2)</sup>	Manufacture and distribution of beverages	The People's Republic of China	100	100
YHS (Cambodia) Food & Beverage Pte Ltd (Cambodia) <sup>(2)</sup>	Manufacture and distribution of food and beverages	Cambodia	100	100
YHS Hong Kong (2000) Pte Limited (Hong Kong) <sup>(2)</sup>	Distribution of beverages and canned food	Hong Kong	100	100
YHS Trading (USA) Inc. (USA) <sup>(3)</sup>	Distribution of beverages and canned food	USA	100	100

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 39. LISTING OF SIGNIFICANT COMPANIES IN THE GROUP (CONTINUED)

Name of company/ Country of incorporation	Principal activities	Country of business	Equity holding	
			2023 %	2022 %
<i>Significant subsidiaries held by subsidiaries (Continued)</i>				
YHS (USA) Inc. (USA) <sup>(3)</sup>	Investment holding	USA	100	100
Yeo Hiap Seng (Malaysia) Sdn. Bhd. (Formerly known as Yeo Hiap Seng (Malaysia) Berhad (Malaysia) <sup>(2)</sup>	Production, marketing and sale of beverages and food products	Malaysia	100	100
Bestcan Food Technological Industry Sdn Bhd (Malaysia) <sup>(2)</sup>	Production of instant noodles	Malaysia	100	100
Yeo Hiap Seng (Sarawak) Sdn Bhd (Malaysia) <sup>(2)</sup>	Dormant and property holding	Malaysia	100	100
Yeo Hiap Seng Trading Sdn. Bhd. (Malaysia) <sup>(2)</sup>	Distribution of food and beverages	Malaysia	100	100
PT YHS Indonesia (Indonesia) <sup>(2)</sup>	Distribution of food and beverages	Indonesia	100	100
PT Botani Beverage Indonesia (Indonesia) <sup>(2)</sup>	Manufacture of food and beverages (currently inactive)	Indonesia	100	100

Legend:

<sup>(1)</sup> Audited by KPMG LLP, Singapore.

<sup>(2)</sup> Audited by other member firms of KPMG International.

<sup>(3)</sup> Audited by other firms of auditors. The names of the audit firms are as follows:

Companies	Name of audit firm
YHS Trading (USA) Inc.	MOSS-ADAMS LLP Certified Public Accountants, a member of Moores
YHS (USA) Inc.	Rowland International, a professional association of independent accounting firm

<sup>(4)</sup> Subsidiary has ceased operation and has been dormant. The company is in the process of striking off from the Register pursuant to Section 344A of the Companies Act during the year.

# STATISTICS OF SHAREHOLDINGS

As At 1 March 2024

Issued & Fully Paid-up Capital	:	\$258,342,468
No. of Shares Issued	:	618,619,603
Class of Shares	:	Ordinary Shares
Voting Rights	:	One vote per share
Treasury Shares and Subsidiary Holdings	:	Nil

## DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
1 – 99	575	11.03	15,976	0.00
100 – 1,000	1,503	28.83	785,312	0.13
1,001 – 10,000	2,474	47.46	8,556,997	1.38
10,001 – 1,000,000	648	12.43	28,166,128	4.55
1,000,001 & above	13	0.25	581,095,190	93.94
<b>Total</b>	<b>5,213</b>	<b>100.00</b>	<b>618,619,603</b>	<b>100.00</b>

## TWENTY LARGEST SHAREHOLDERS

Name of Shareholders	No. of Shares	% of Shares
Far East Organization Pte Ltd	334,412,398	54.06
Far East Spring Pte Ltd	68,925,914	11.14
Transurban Properties Pte Ltd	60,784,947	9.83
Citibank Nominees Singapore Pte Ltd	30,594,265	4.95
Sino Land Company Limited	26,606,338	4.30
OCBC Securities Private Ltd	15,974,322	2.58
DBS Nominees Pte Ltd	13,079,927	2.11
HSBC (Singapore) Nominees Pte Ltd	8,728,485	1.41
Bank of East Asia Nominees Pte Ltd	6,686,523	1.08
Morph Investments Ltd	5,055,086	0.82
BNP Paribas Nominees Singapore Pte Ltd	4,627,409	0.75
Raffles Nominees (Pte) Limited	4,557,774	0.74
United Overseas Bank Nominees Pte Ltd	1,061,802	0.17
OCBC Nominees Singapore Pte Ltd	873,293	0.14
Phillip Securities Pte Ltd	765,184	0.12
CGS-CIMB Securities (Singapore) Pte Ltd	730,212	0.12
Estate of Chong Yean Fong, Deceased	600,000	0.10
Maybank Securities Pte. Ltd.	579,691	0.09
UOB Kay Hian Pte Ltd	502,456	0.08
Chin Kiam Hsung	438,000	0.07
<b>Total</b>	<b>585,584,026</b>	<b>94.66</b>

# STATISTICS OF SHAREHOLDINGS

As At 1 March 2024

## SUBSTANTIAL SHAREHOLDERS

No.	Name of Substantial Shareholder	Direct Interest No. of Shares	% of Total Issued Shares <sup>(1)</sup>	Deemed Interest No. of Shares	% of Total Issued Shares <sup>(1)</sup>
1	Far East Organization Pte. Ltd. ("FEO")	334,412,398	54.06	–	–
2	Far East Spring Pte. Ltd. ("FES")	63,888,889	10.33	–	–
3	Transurban Properties Pte. Ltd. ("TPPL")	56,342,854	9.11	–	–
4	Ng Chee Tat Philip ("PN") <sup>(2)</sup>	–	–	476,296,373	76.99
5	The Estate of Ng Teng Fong (Deceased) (the "Estate") <sup>(3)</sup>	–	–	421,803,683	68.18
6	Ng Chee Siong ("RN") <sup>(4)</sup>	–	–	421,803,683	68.18
7	Madam Tan Kim Choo @Teng Kim Chow ("Madam Tan") <sup>(5)</sup>	50,814	0.01	403,338,312	65.20
8	Glory Realty Co. Private Ltd. ("Glory") <sup>(6)</sup>	–	–	56,342,854	9.11

### Notes:

- (1) Based on 618,619,603 issued shares as at 1 March 2024.
- (2) PN, in his capacity as a beneficiary of the Estate, is deemed to have an interest in shares in the Company in which the Estate is deemed to have an interest and, through his interest in FES, is deemed to be interested in FES' shareholding in the Company.
- (3) The Estate's deemed interest in shares in the Company includes its interests through FEO, Glory and Sino Land Company Limited.
- (4) RN, in his capacity as a beneficiary of the Estate, is deemed to have an interest in shares in the Company in which the Estate is deemed to have an interest.
- (5) Madam Tan's deemed interest in shares in the Company arises through her interests in FEO and FES.
- (6) Glory, through its interest in TPPL, is deemed to have an interest in TPPL's shareholding in the Company.

## SHAREHOLDINGS HELD IN THE HANDS OF PUBLIC

Based on information available to the Company as at 1 March 2024, approximately 20.65% of the issued ordinary shares of the Company is held in the hands of 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 Sixty-eighth Annual General Meeting of Yeo Hiap Seng Limited (the “Company”) will be held at Antica I & II (Level 2), Orchard Rendezvous Hotel, 1 Tanglin Road, Singapore 247905 on Friday, 26 April 2024, at 2.00 p.m. to transact the following business:

## ORDINARY BUSINESS

1. To receive and adopt the Directors’ Statement and the Audited Financial Statements for the financial year ended 31 December 2023 and the report of the Auditors. **Ordinary Resolution 1**
2. To declare a final tax exempt dividend of \$0.02 per ordinary share for the financial year ended 31 December 2023. **Ordinary Resolution 2**
3. To approve the payment of \$788,723 as Directors’ fees for the financial year ended 31 December 2023. (2022: \$720,082) **Ordinary Resolution 3**
4. (a) To re-elect the following Directors, each of whom retires by rotation pursuant to articles 94 and 95 of the Constitution of the Company:
  - (i) Mr Mohamad Halim Bin Merican **Ordinary Resolution 4**
  - (ii) Ms Luo Dan **Ordinary Resolution 5**
- (b) To re-elect the following Directors, each of whom retires pursuant to article 100 of the Constitution of the Company:
  - (i) Mr Na Wu Beng **Ordinary Resolution 6**
  - (ii) Mr Edward Averrill Ng Yong Sheng **Ordinary Resolution 7**
5. To re-appoint KPMG LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **Ordinary Resolution 8**

## SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions:

6. That authority be and is hereby given to the Directors of the Company to: **Ordinary Resolution 9**
  - (a) (i) issue shares of the Company (“shares”) whether by way of rights, bonus or otherwise; and/or
  - (ii) make or grant offers, agreements or options (collectively, “Instruments”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible 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

## NOTICE OF ANNUAL GENERAL MEETING

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

provided that:

- (1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed 50 per cent. of the total number of issued shares, excluding treasury shares and subsidiary holdings (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company shall not exceed 20 per cent. of the total number of issued shares, excluding treasury shares and subsidiary holdings (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited ("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 and subsidiary holdings, shall be calculated based on the total number of issued shares, excluding treasury shares and subsidiary holdings, 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 were issued and are outstanding or subsisting at the time this Resolution is passed; and
  - (ii) any subsequent bonus issue, consolidation or subdivision of shares,

and, in sub-paragraph (1) above and this sub-paragraph (2), "subsidiary holdings" has the meaning given to it in the Listing Manual of the SGX-ST;

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

## NOTICE OF ANNUAL GENERAL MEETING

- (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. That:

### Ordinary Resolution 10

- (a) for the purposes of Sections 76C and 76E of the Companies Act 1967 (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 hereinafter defined), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as hereinafter 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:

## NOTICE OF ANNUAL GENERAL MEETING

“Maximum Limit” means that number of Shares representing 10% of the issued Shares (excluding treasury shares and subsidiary holdings (as defined in the Listing Manual of the SGX-ST)) 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” means the average of the closing market prices of the Shares 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, and deemed to be adjusted for any corporate action that occurs during the relevant five-day period and 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;

“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 (or, as the case may be, Other Exchange) 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.

# NOTICE OF ANNUAL GENERAL MEETING

8. That the Directors of the Company be and are hereby authorised to grant options and/or awards in accordance with the provisions of the Yeo Hiap Seng Limited Share Incentive Plan (the “Plan”), and to allot and issue from time to time such number of shares of 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 of 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 the Plan shall not exceed 10% of the total number of issued shares of the Company (excluding treasury shares and subsidiary holdings (as defined in the Listing Manual of the Singapore Exchange Securities Trading Limited)) from time to time. **Ordinary Resolution 11**
9. That pursuant to Section 161 of the Companies Act 1967, authority be and is hereby given to the Directors of the Company to allot and issue from time to time such number of shares of the Company as may be required to be allotted and issued pursuant to the Yeo Hiap Seng Limited Scrip Dividend Scheme. **Ordinary Resolution 12**

BY ORDER OF THE BOARD

Nor Hafiza Alwi  
Company Secretary

Singapore, 28 March 2024

## Notes:

1. The Annual General Meeting will be held, in a wholly physical format, at the venue, date and time stated above. Shareholders, including CPF and SRS investors, and (where applicable) duly appointed proxies and representatives will be able to ask questions and vote at the Annual General Meeting by attending the Annual General Meeting in person. **There will be no option for shareholders to participate virtually.**

Printed copies of this Notice of Annual General Meeting and the accompanying Proxy Form will be sent by post to members. These documents will also be published on the Company’s website at the URL <https://www.yeos.com.sg/investor-relations/agm-updates/> and the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.

2. Shareholders, including CPF and SRS investors, and (where applicable) duly appointed proxies and representatives who wish to attend the Annual General Meeting are reminded to bring along their NRIC/Passport so as to enable the Company to verify their identity. They are advised not to attend the Annual General Meeting if they are feeling unwell.
3. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Annual General Meeting. Where such member’s instrument appointing a proxy(ies) appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument.
- (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Annual General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member’s instrument appointing a proxy(ies) appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument.

“Relevant intermediary” has the meaning ascribed to it in Section 181 of the Companies Act 1967.

A member who wishes to appoint a proxy(ies) must complete the instrument appointing a proxy(ies), before submitting it in the manner set out below.

4. A proxy need not be a member of the Company. A member may choose to appoint the Chairman of the Meeting as his/her/its proxy.
5. The instrument appointing a proxy(ies) must be submitted to the Company in the following manner:
- (a) if submitted personally or by post, be lodged at the office of the Company’s Share Registrar, B.A.C.S. Private Limited at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896; or
- (b) if submitted electronically, be submitted via email to the Company’s Share Registrar at [main@zicoholdings.com](mailto:main@zicoholdings.com),

and, in each case, must be lodged or received (as the case may be) by **2.00 p.m. on 23 April 2024**, being not less than 72 hours before the time appointed for the holding of the Annual General Meeting.

# NOTICE OF ANNUAL GENERAL MEETING

6. CPF and SRS investors:

- (a) may vote at the Annual General Meeting if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or
- (b) may appoint the Chairman of the Meeting as proxy to vote on their behalf at the Annual General Meeting, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 16 April 2024.

7. Shareholders, including CPF and SRS investors, may submit substantial and relevant questions related to the resolutions to be tabled for approval at the Annual General Meeting in advance of the Annual General Meeting:

- (a) by post to the registered office of the Company, Yeo Hiap Seng Limited, Attn: The Company Secretary, 3 Senoko Way, Singapore 758057; or
- (b) via email to the Company at [agm2024@yeos.com](mailto:agm2024@yeos.com).

When submitting questions by post or via email, shareholders should also provide the Company with the following details for verification purposes: (a) full name of shareholder; (b) address of shareholder; and (c) the manner in which the shareholder holds shares in the Company (e.g., via CDP, CPF, SRS and/or scrip).

All questions submitted in advance must be received by 2.00 p.m. on 8 April 2024.

8. The Company will address all substantial and relevant questions received from shareholders by the 8 April 2024 deadline by publishing its responses to such questions on the Company's website at the URL <https://www.yeos.com.sg/investor-relations/agm-updates/> and the SGX website at the URL <https://www.sgx.com/securities/company-announcements> at least 48 hours prior to the closing date and time for the submission of instruments appointing a proxy(ies). The Company will respond to questions or follow-up questions (which are related to the resolutions to be tabled for approval at the Annual General Meeting) received after the 8 April 2024 submission deadline either within a reasonable timeframe before the Annual General Meeting, or at the Annual General Meeting itself. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed.
9. Shareholders, including CPF and SRS investors, and (where applicable) duly appointed proxies and representatives may also ask the Chairman of the Meeting substantial and relevant questions related to the resolutions to be tabled for approval at the Annual General Meeting, at the Annual General Meeting itself.
10. The Annual Report for the financial year ended 31 December 2023 ("Annual Report 2023") and the Letter to Shareholders dated 28 March 2024 in relation to the proposed renewal of the share purchase mandate ("Letter to Shareholders") have been published on the Company's website at the URL <https://www.yeos.com.sg/investor-relations/annual-reports/> and may be accessed as follows:
- (a) the Annual Report 2023 may be accessed by clicking on the image of the cover of the Annual Report 2023 under the section titled "ANNUAL REPORTS"; and
  - (b) the Letter to Shareholders may be accessed by clicking on the hyperlink "April 2024" under the section titled "LETTER TO SHAREHOLDERS".

These documents will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>. Members may request for printed copies of these documents by completing and submitting the request form sent to them by post together with printed copies of this Notice and the accompanying Proxy Form.

## Additional information relating to items of Ordinary and Special Business:

Item 4(a) – Mr Jonathan James Yong Ze Ng, who is a Non-Independent & Non-Executive Director, also retires by rotation pursuant to articles 94 and 95 of the Constitution and, although eligible, has signified that he is not offering himself for re-election. Mr Jonathan Ng's retirement from the Board will take effect upon the conclusion of the Annual General Meeting.

Ordinary Resolution 4 – If re-elected, Mr Mohamad Halim Bin Merican, who is an Independent & Non-Executive Director, will continue to serve as a member of the Audit & Risk Committee. Please refer to the sections "Profile of the Board of Directors", "Corporate Governance Report" and "Supplemental Information on Directors Seeking Re-Election" in the Annual Report 2023 for more information on Mr Mohamad Halim Bin Merican.

Ordinary Resolution 5 – If re-elected, Ms Luo Dan, who is an Independent & Non-Executive Director, will continue to serve as the Chairperson of the Remuneration Committee and a member of the Audit & Risk Committee. Please refer to the sections "Profile of the Board of Directors", "Corporate Governance Report" and "Supplemental Information on Directors Seeking Re-Election" in the Annual Report 2023 for more information on Ms Luo Dan.

Ordinary Resolution 6 – Mr Na Wu Beng, who was appointed as a Director on 15 June 2023, holds office until this Annual General Meeting under article 100 of the Constitution of the Company and is eligible for re-election. If re-elected, Mr Na Wu Beng, who is the Deputy Chairman of the Board and an Independent & Non-Executive Director, will continue to serve as the Deputy Chairman of the Board and a member of each of the Nominating Committee and Remuneration Committee. Please refer to the sections "Profile of the Board of Directors", "Corporate Governance Report" and "Supplemental Information on Directors Seeking Re-Election" in the Annual Report 2023 for more information on Mr Na Wu Beng.

Ordinary Resolution 7 – Mr Edward Averill Ng Yong Sheng, who was appointed as a Director on 1 March 2024, holds office until this Annual General Meeting under article 100 of the Constitution of the Company and is eligible for re-election. Please refer to the sections "Profile of the Board of Directors", "Corporate Governance Report" and "Supplemental Information on Directors Seeking Re-Election" in the Annual Report 2023 for more information on Mr Edward Ng.

# NOTICE OF ANNUAL GENERAL MEETING

Ordinary Resolution 9 – If passed, will authorise the Directors from the date of this Annual General Meeting up to the next Annual General Meeting, to issue shares of 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 and subsidiary holdings), 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 and subsidiary holdings) 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 of the Singapore Exchange Securities Trading Limited) 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. As at 1 March 2024, the Company did not have treasury shares or subsidiary holdings.

Ordinary Resolution 10 – 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 61,861,960 shares on 1 March 2024 representing approximately 10% of the issued shares (excluding treasury shares and subsidiary holdings) 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 2023 and certain assumptions, are set out in Paragraph 2.7 of the Company's Letter to Shareholders dated 28 March 2024.

Ordinary Resolution 11 – If passed, will empower the Directors to grant options and/or awards under the Yeo Hiap Seng Limited Share Incentive Plan (the "Plan"), and to allot and issue shares pursuant to the exercise of options and/or the vesting of awards granted under the Plan provided that the aggregate number of shares which may be issued pursuant to the Plan does not exceed 10% of the total number of issued shares of the Company (excluding treasury shares and subsidiary holdings) from time to time.

Ordinary Resolution 12 – If passed, will authorise the Directors to issue shares of 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.

## **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 (a) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "Purposes"), (b) 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 or service providers), 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 or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (c) 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.

## **Notice of Books Closure:**

Notice is hereby given that the Share Transfer Books and Register of Members of the Company will be closed on 8 May 2024 for the purposes of determining shareholders' entitlements to the proposed final dividend.

Duly completed and stamped transfers of the ordinary shares of the Company ("Shares") received by the Company's Share Registrar, B.A.C.S. Private Limited at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896 up to 5.00 p.m. on 7 May 2024 will be registered before shareholders' entitlements to the final dividend are determined.

Shareholders whose securities accounts with The Central Depository (Pte) Limited are credited with Shares as at 5.00 p.m. on 7 May 2024 will rank for the proposed final dividend.

Subject to shareholders' approval at the Sixty-eighth Annual General Meeting to be held on 26 April 2024, the payment of the final dividend of \$0.02 per Share will be made on 21 June 2024.

## SUPPLEMENTAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

<b>Name of Director</b>	<b>Mohamad Halim Bin Merican</b>
Date of appointment	30 July 2020
Date of last re-appointment (if applicable)	29 April 2021
Age	58
Country of principal residence	Malaysia
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors and Nominating Committee, having reviewed the qualification, experience and the relevant expertise of Mr Mohamad Halim Bin Merican, is of the view that his extensive background and considerable experience in hospitality and fast moving consumer goods will continue to guide the Company with fresh and relevant insights in the areas of consumer shifts and trends in particular.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive
Job Title (eg. Lead ID, AC Chairman, AC Member etc.)	<ul style="list-style-type: none"> <li>• Independent &amp; Non-Executive Director</li> <li>• Member of Audit &amp; Risk Committee</li> </ul>
Professional qualifications	<p>(1) Diploma in Hotel Management and Food &amp; Beverage, Hotel Management School "Les Roches" Switzerland</p> <p>(2) Certified Hotel Administrator (CHA), American Hotel &amp; Lodging Educational Institute</p>
Working experience and occupation(s) during the past 10 years	<p>Present:</p> <ul style="list-style-type: none"> <li>• CEO &amp; Director, UniQ Hospitality Services Sdn Bhd</li> <li>• Consultant/Management and Owner Representative of Loop on Leith Hotel Penang</li> <li>• Human Resources Development Corporation Panel Trainer</li> </ul> <p>Past:</p> <ul style="list-style-type: none"> <li>• Dec 2018 to Mar 2020: GM, Wyndham Acmar Klang Hotel</li> <li>• Aug 2017 to May 2018: Consultant/Owner Representative, Frangipani Langkawi Resort &amp; Spa</li> <li>• 2011 to 2017: GM, Seri Pacific Corporation Sdn Bhd and Seri Pacific Hotel Kuala Lumpur.</li> </ul>
Shareholding interest in the listed issuer and its subsidiaries	No



## SUPPLEMENTAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director		Mohamad Halim Bin Merican
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries		No
Conflict of interest (including any competing business)		No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer		Yes
Other principal commitments including directorships: Past (for the last 5 years)		Board Member of the Malaysian Association of Hotels (MAH)
Present		<ul style="list-style-type: none"> <li>CEO &amp; Director, UniQ Hospitality Services Sdn Bhd</li> <li>Adjunct Professor, UNITAR International University Malaysia</li> <li>Member, Malaysian Association of Hotels</li> <li>Independent &amp; Non-Executive Director, Sunshine Bread Sdn Bhd</li> <li>Director, Fairway Hospitality and Events Sdn Bhd</li> <li>Director, Genesis Opus Productions and Management Sdn Bhd</li> </ul>
(a)	Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No
(b)	Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No

## SUPPLEMENTAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director		Mohamad Halim Bin Merican
(c)	Whether there is any unsatisfied judgment against him?	No
(d)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No
(e)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No
(f)	Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No
(g)	Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No
(h)	Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No
(i)	Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No

## SUPPLEMENTAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director		Mohamad Halim Bin Merican
(j)	Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:	
(i)	any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No
(ii)	any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No
(iii)	any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No
(iv)	any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,	No
	in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	
(k)	Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No

## SUPPLEMENTAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

<b>Name of Director</b>	<b>Luo Dan</b>
Date of appointment	1 January 2017
Date of last re-appointment (if applicable)	29 April 2022
Age	55
Country of principal residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors and Nominating Committee, having reviewed the qualification, experience and the relevant expertise of Ms Luo Dan, are of the view that her extensive background and considerable experience particularly in consumer goods industry and the dairy ingredients industry, will continue to guide the Company and contribute relevant knowledge, skills and experience to the Board.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive
Job Title (eg. Lead ID, AC Chairman, AC Member etc.)	<ul style="list-style-type: none"> <li>• Independent &amp; Non-Executive Director</li> <li>• Chairperson of Remuneration Committee</li> <li>• Member of Audit &amp; Risk Committee (with effect from 15 June 2023)</li> <li>• Member of the Nominating Committee (from 2 June 2020 to 15 June 2023)</li> </ul>
Professional qualifications	<ul style="list-style-type: none"> <li>• Bachelor of Computer Science, Software, Wuhan University, China</li> <li>• MBA, IMD, Switzerland</li> <li>• Certification in Corporate Governance, INSEAD</li> </ul>
Working experience and occupation(s) during the past 10 years	<p>Present:</p> <ul style="list-style-type: none"> <li>• Independent Director of First Resources Limited (with effect from 1 January 2024)</li> </ul> <p>Past:</p> <ul style="list-style-type: none"> <li>• January 2021 to September 2023 – Director of Active Living, Fonterra Group</li> <li>• 2017 to 2020 – Independent Consultant, fast moving consumer goods companies</li> <li>• 2014 to 2017 – Managing Director, Lego Singapore Pte. Ltd.</li> <li>• 2012 to 2013 – Managing Director, Heinz Asean, Singapore</li> </ul>
Shareholding interest in the listed issuer and its subsidiaries	No

## SUPPLEMENTAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Luo Dan
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil
Conflict of interest (including any competing business)	Nil
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes
Other principal commitments including directorships:  Past (for the last 5 years)	<ul style="list-style-type: none"> <li>December 2022 to September 2023 – Non-Independent Non-Executive Director of Fonterra Brands (Asia Holdings) Pte Ltd, Fonterra Brands (New Young) Pte Ltd, and Fonterra Brands (Singapore) Pte Ltd, collectively, the “Three Fonterra Subsidiaries”</li> <li>January 2021 to September 2023 – Director of Active Living, Fonterra Group</li> <li>2017 to 2020 – Independent Consultant, fast moving consumer goods companies</li> </ul>
Present	<ul style="list-style-type: none"> <li>Independent Director of First Resources Limited (with effect from 1 January 2024)</li> </ul>
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No
(c) Whether there is any unsatisfied judgment against him?	No

## SUPPLEMENTAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director		Luo Dan
(d)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No
(e)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No
(f)	Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No
(g)	Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No
(h)	Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No
(i)	Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No

## SUPPLEMENTAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director		Luo Dan
(j)	Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:	
(i)	any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No
(ii)	any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No
(iii)	any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No
(iv)	any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,	No
	in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	
(k)	Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No

## SUPPLEMENTAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Na Wu Beng
Date of appointment	15 June 2023
Date of last re-appointment (if applicable)	Not Applicable
Age	67
Country of principal residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	At the recommendation of the Nominating Committee which has reviewed the qualifications and experiences of Mr Na Wu Beng, the Board of Directors approved the appointment of Mr Na Wu Beng as an Independent & Non-Executive Director, and Deputy Chairman on the Board of the Company, in view of his comprehensive international experiences and knowledge in banking and financial services for more than four decades.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive
Job Title (eg. Lead ID, AC Chairman, AC Member etc.)	<ul style="list-style-type: none"> <li>• Independent &amp; Non-Executive Director</li> <li>• Deputy Chairman</li> <li>• Member of Nominating Committee</li> <li>• Member of Remuneration Committee</li> </ul>
Professional qualifications	Bachelor of Arts (Economics) Honours Degree, Coventry University, United Kingdom
Working experience and occupation(s) during the past 10 years	<p>Present:</p> <ul style="list-style-type: none"> <li>• June 2016 to present – Director, OCBC Bank Limited (China) (previously known as “OCBC Wing Hang Bank (China) Limited”)</li> <li>• July 2022 to present – Director, Bank of Singapore Limited</li> <li>• April 2022 to present – Commissioner, PT Bank OCBC NISP Tbk, Indonesia</li> </ul> <p>Past:</p> <ul style="list-style-type: none"> <li>• 2014 to July 2023 – Director, Bank Consortium Holdings Ltd</li> <li>• January 2022 to June 2022 – Advisor to Group CEO, Oversea-Chinese Corporation Limited, Singapore</li> <li>• July 2021 to June 2022 – Advisor to Board, OCBC Bank (Hong Kong) Limited (previously known as “OCBC Wing Hang Bank Limited, Hong Kong”)</li> <li>• August 2014 to May 2021 – Executive Director &amp; Chief Executive, OCBC Bank (Hong Kong) Limited</li> <li>• 2004 to 2014 – Deputy President Director, PT Bank OCBC NISP Tbk, Indonesia</li> </ul>



## SUPPLEMENTAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Na Wu Beng
Shareholding interest in the listed issuer and its subsidiaries	No
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No
Conflict of interest (including any competing business)	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes
Other principal commitments including directorships: Past (for the last 5 years)	<p>Past:</p> <ul style="list-style-type: none"> <li>• 2014 to July 2023 – Director, Bank Consortium Holdings Ltd</li> <li>• 2015 to April 2023 – Director, Hong Kong Life Insurance Co</li> <li>• January 2022 to June 2022 – Advisor to Group CEO, Oversea-Chinese Corporation Limited, Singapore</li> <li>• July 2021 to June 2022 – Advisor to Board, OCBC Bank (Hong Kong) Limited</li> <li>• August 2014 to May 2021 – Executive Director &amp; Chief Executive, OCBC Bank (Hong Kong) Limited</li> <li>• 2019 to 2021 – Chairman, OCBC Bank Limited (China)</li> </ul>
Present	<ul style="list-style-type: none"> <li>• June 2016 to present – Director, OCBC Bank Limited (China)</li> <li>• July 2022 to present – Director, Bank of Singapore Limited</li> <li>• April 2022 to present – Commissioner, PT Bank OCBC NISP Tbk, Indonesia</li> </ul>
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No

## SUPPLEMENTAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director		Na Wu Beng
(b)	Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No
(c)	Whether there is any unsatisfied judgment against him?	No
(d)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No
(e)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No
(f)	Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No

## SUPPLEMENTAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director		Na Wu Beng
(g)	Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No
(h)	Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No
(i)	Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No
(j)	Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:	
(i)	any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No
(ii)	any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No
(iii)	any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No
(iv)	any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,	No
	in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	
(k)	Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No

## SUPPLEMENTAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

<b>Name of Director</b>	<b>Edward Averrill Ng Yong Sheng</b>
Date of appointment	1 March 2024
Date of last re-appointment (if applicable)	Not Applicable
Age	32
Country of principal residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board and Nominating Committee, having reviewed the qualifications, experience and the relevant expertise of Mr Edward Averrill Ng Yong Sheng ("Mr Edward Ng"), are of the view that Mr Edward Ng will be a valuable addition to the Board's diversity of talent, and contributing to the strategic focus of the Company in its product sales and development.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive
Job Title (eg. Lead ID, AC Chairman, AC Member etc.)	Non-Independent & Non-Executive Director
Professional qualifications	Bachelor of Science in Civil Engineering (Architectural Design) from Stanford University, USA
Working experience and occupation(s) during the past 10 years	July 2017 to Present: Far East Organization <ul style="list-style-type: none"> <li>- Executive Director (Projects &amp; Operations)</li> <li>- Director, Development Projects and Central Engineering</li> <li>- Assistant Director, Property Services</li> <li>- Assistant Director, Central Engineering</li> </ul>
Shareholding interest in the listed issuer and its subsidiaries	No
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Mr Edward Ng is the son of Mr Ng Chee Tat Philip and nephew of Mr Ng Chee Siong, beneficiaries of the Estate of the late Ng Teng Fong, a substantial shareholder of Yeo Hiap Seng Limited ("YHS"). Mr Edward Ng is also the grandson of Mdm Tan Kim Choo who is a substantial shareholder of YHS and the spouse of the late Mr Ng Teng Fong.  Mr Edward Ng is also the brother of Mr Jonathan James Yong Ze Ng ("Mr Jonathan Ng"), a Non-Independent and Non-Executive Director of YHS and the cousin of Mr Ng Win Kong, Daryl, Chairman of YHS. Mr Jonathan Ng will retire by rotation at the upcoming Annual General Meeting of YHS on 26 April 2024 ("2024 AGM") and has signified that he is not offering himself for re-election as a Director of YHS at the 2024 AGM. Mr Jonathan Ng will cease as Director of YHS at the conclusion of the 2024 AGM.

## SUPPLEMENTAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

<b>Name of Director</b>		<b>Edward Averrill Ng Yong Sheng</b>
		<p>Mr Edward Ng served as Alternate Director to Mr Jonathan Ng up to 29 February 2024 and was appointed as a Director of YHS with effect from 1 March 2024.</p> <p>Mr Edward Ng is a Director of Glory Realty Co. Private Ltd, Transurban Properties Pte. Ltd., and Far East Spring Pte. Ltd., substantial shareholders of YHS.</p>
Conflict of interest (including any competing business)		As above
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer		Yes
Other principal commitments including directorships: Past (for the last 5 years)		Please refer to page 206 of this Annual Report: Annex 1 - Past Directorship of Mr Edward Ng from 1 Jan 2019
Present		<ul style="list-style-type: none"> <li>• Executive Director (Projects &amp; Operations, Property Services Division), Far East Organization</li> <li>• Please refer to page 207 to 209 of this Annual Report: Annex 2 - List of Present Directorships of Mr Edward Ng</li> </ul>
(a)	Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No
(b)	Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No
(c)	Whether there is any unsatisfied judgment against him?	No

## SUPPLEMENTAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director		Edward Averrill Ng Yong Sheng
(d)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No
(e)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No
(f)	Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No
(g)	Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No
(h)	Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No
(i)	Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No

## SUPPLEMENTAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director		Edward Averrill Ng Yong Sheng
(j)	Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:	
	(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No. Please refer to page 210 of this Annual Report: Additional Disclosure
	(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No. Please refer to page 210 of this Annual Report: Additional Disclosure
	(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No
	(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,	No
	in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	
(k)	Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No

# SUPPLEMENTAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

## Annex 1

### Past Directorship of Mr Edward Averrill Ng Yong Sheng from 1 Jan 2019

#### List of Companies

1. Face Plus By Yamano Asia Pacific Pte. Ltd. ^
2. Far East Corporate Leasing Pte Ltd #
3. FE&Y Retail Trustee Pte. Ltd. ^
4. FEL Retail Trustee Pte. Ltd. #
5. FEO Business Services Pte. Ltd. \*
6. Float Private Limited ^
7. Marinafront Property Pte. Ltd. #
8. Orchard Land Pte. Ltd. #
9. Orchard Peak Pte. Ltd. #
10. Singapore Lift Company Pte Ltd #
11. Barramundi Group Ltd ^
12. Yeo Hiap Seng Limited\*\*

#### Annotations:

^ Resigned

# Struck Off

\* Dissolved

\*\* Ceased as alternate director



# SUPPLEMENTAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

## Annex 2

### List of Present Directorships of Mr Edward Averrill Ng Yong Sheng

#### Singapore

1. 4AM Concepts Pte. Ltd.
2. Ace-Industrial Pte Ltd
3. Agape FM Pte. Ltd.
4. Agape Services Pte. Ltd.
5. Astoria Park Pte Ltd
6. Baker & Cook Pte Ltd
7. Ban Lee Investment (Pte.) Ltd.
8. Bayshore Green Pte Ltd
9. Beauty World Properties Pte Ltd
10. Boo Han Holdings Pte. Ltd.
11. Bullion Holdings Pte. Ltd.
12. Bullion Properties Pte. Ltd.
13. Cabana JV Pte. Ltd.
14. Champion Holdings Pte. Ltd.
15. Chuan Kee Management Services Pte Ltd
16. Commons Commercial Trustee Pte. Ltd.
17. Commons Residential Pte. Ltd.
18. Commons SR Trustee Pte. Ltd.
19. Commonwealth Concepts Pte. Ltd.
20. Cornerstone Capital Pte. Ltd.
21. Dover Rise Ltd
22. Double G Investments Pte. Ltd.
23. Eunost Link Technology Park Ltd
24. F. E. Holdings Pte. Ltd.
25. Far East Capital Nominees Pte. Ltd.
26. Far East Capital Pte. Ltd.
27. Far East Central Pte. Ltd.
28. Far East China Ventures Pte. Ltd.
29. Far East Erishi Holdings Private Limited
30. Far East Healthcare Pte Ltd
31. Far East International Pte. Ltd.
32. Far East Land (Japan) Pte. Ltd.
33. Far East Land and Housing Development Company Pte. Ltd.
34. Far East Lighthouse Pte. Ltd.
35. Far East Management (Private) Limited
36. Far East Management Services Pte. Ltd.
37. Far East Organization Pte. Ltd.
38. Far East Property Services Pte. Ltd.
39. Far East Real Estate Agency Pte. Ltd.
40. Far East Real Estate Services Pte. Ltd.
41. Far East Retail Consultancy Pte. Ltd.
42. Far East Soho International Pte. Ltd.
43. Far East Soho Pte. Ltd.
44. Far East Spring Pte. Ltd.

# SUPPLEMENTAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

## Annex 2

45. Far East Square Pte. Ltd.
46. Far East Success Development Pte. Limited
47. FE Landmark Pte. Ltd.
48. FEC Residences Trustee Pte. Ltd.
49. FEC Retail Trustee Pte. Ltd.
50. FE&Y Commercial Trustee Pte. Ltd.
51. FEO Asset Management Pte. Ltd.
52. FEO Ventures Pte Ltd
53. Fontaine Investment Pte. Ltd.
54. Forest Technologies Pte. Ltd.
55. Foundation Communications Pte. Ltd.
56. Further Co Pte. Ltd.
57. Garden Landmark Pte. Ltd.
58. Golden Landmark Pte. Ltd.
59. Glory Realty Co. Private Ltd.
60. Goodview Properties Pte Ltd
61. Grow-Tech Properties Pte Ltd
62. Ho Lee Investments (Pte.) Ltd.
63. Holland V Properties Pte. Ltd.
64. Joo Yee Holdings Pte. Ltd.
65. Ju-I Properties Pte. Ltd.
66. Junglefowl Pte. Ltd.,
67. Jumbo Valley Pte. Ltd.
68. Kitchen Language Pte Ltd
69. Kentish Court Pte Ltd
70. Kentish View Pte Ltd
71. Kew Park Pte Ltd
72. Kuang Ming Investments Pte. Limited
73. Lakeshore Pte. Ltd.
74. Lee Huat Hin Contractors Private Limited
75. Lucky Bros Pte. Ltd.
76. Lucky Pinnacle Pte Ltd
77. Lucky Realty Company Pte Ltd
78. Luxurious Construction Pte. Ltd.
79. Marina Green Limited
80. Marinafront Retail Trustee Pte Ltd
81. Nam Lung (Singapore) Pte. Ltd
82. Natwest Development (Pte) Limited
83. Newton Gardens Pte Ltd
84. Novena Healthcare Pte. Ltd.
85. OC Beauty Pte. Ltd.
86. Orchard Central Pte. Ltd.
87. Orchard Landmark Pte. Ltd.
88. Orchard Maintenance (Pte) Ltd.
89. Orchard Mall Pte. Ltd.
90. Poh Hee Construction Private Ltd.
91. Quay Properties Pte Ltd
92. Sincere Properties Pte Ltd

# SUPPLEMENTAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

## Annex 2

93. Sound Life Centre (Pte.) Ltd.
94. Splendid Properties Pte Ltd
95. Superior Land Pte Ltd
96. Tampines Court Pte. Ltd.
97. Tanjong Properties Pte Ltd
98. Tian Hock Properties Pte Ltd
99. TPI Limited
100. Transurban Land Pte. Ltd.
101. Transurban Properties Pte. Ltd.
102. Ultra Realty Private Limited
103. Urban Park Pte. Ltd.
104. Waterfront View Pte. Ltd.
105. Western Properties Pte Ltd
106. Whitewater Properties Pte. Ltd.
107. Woodlands Square Pte. Ltd.
108. Wushiland Pte. Ltd.

### **Malaysia**

1. Far East Land and Housing Development Company Sdn Berhad
2. Lucky Plantations Sdn Bhd

### **Australia**

1. Far East Land and Housing Development Company Pte. Ltd.  
- Australian Branch

### **Japan**

1. Far East Land (Japan) Pte. Ltd.  
- Japan Branch
2. Sakuragicho Hospitality Kabushiki Kaisha

### **State of Delaware**

1. Far East Greenwich (USA) LLC

## SUPPLEMENTAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

### Mr Edward Averrill Ng Yong Sheng

#### Additional Disclosure

(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of-

(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or

Yes  No

If yes, please provide full details:-

As additional information, I am/had been a director of various corporations and entities operating across various industries, including real estate, hospitality and food and beverage. There have been occasions where these corporations and entities have been investigated by the authorities for breaches of laws and regulations arising from their day to day operations. To the best of my knowledge, none of the warnings, fines and penalties imposed on the corporations and entities arising from such investigations during my tenure as a director is material nor do they relate to the directors in their personal capacities.

(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or

Yes  No

If yes, please provide full details:-

But please refer to the additional information for item (j)(i) above.

**PROXY FORM**  
**ANNUAL GENERAL MEETING**

**YEO HIAP SENG LIMITED**

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

**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 28 March 2024.

**IMPORTANT**

1. The Annual General Meeting will be held, in a wholly physical format, at the venue, date and time stated below. There will be no option for shareholders to participate virtually.
2. **Please read the notes overleaf which contain instructions on, inter alia, the appointment of a proxy(ies).**
3. This Proxy Form is not valid for use (and shall be ineffective for all intents and purposes if used or purported to be used) by CPF and SRS investors. CPF and SRS investors:
  - (a) may vote at the Annual General Meeting if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or
  - (b) may appoint the Chairman of the Meeting as proxy to vote on their behalf at the Annual General Meeting, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes by **5.00 p.m. on 16 April 2024**.

\*I/We (Name) \_\_\_\_\_ (NRIC/Passport No./UEN) \_\_\_\_\_

of (Address) \_\_\_\_\_

being a \*member/members of Yeo Hiap Seng Limited (the "**Company**") hereby appoint:

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

\* and/or

--	--	--	--	--

or failing him/her, the Chairman of the Meeting as \*my/our \*proxy/proxies to attend, speak and vote for \*me/us and on \*my/our behalf, at the Sixty-eighth Annual General Meeting of the Company to be held at Antica I & II (Level 2), Orchard Rendezvous Hotel, 1 Tanglin Road, Singapore 247905 on Friday, 26 April 2024 at 2.00 p.m. and at any adjournment thereof.

\*I/We direct \*my/our \*proxy/proxies to vote for or against or abstain from voting on the resolutions to be proposed at the Annual General Meeting as indicated hereunder.

If no person is named in the above boxes, the Chairman of the Meeting shall be \*my/our proxy to vote for or against or abstain from voting on the resolutions to be proposed at the Annual General Meeting as indicated hereunder, for \*me/us on \*my/our behalf at the Annual General Meeting and at any adjournment thereof.

Ordinary Business		For**	Against**	Abstain**
Ordinary Resolution 1	Adoption of Directors' Statement, Audited Financial Statements and Auditors' Report			
Ordinary Resolution 2	Declaration of final dividend			
Ordinary Resolution 3	Approval of Directors' fees			
Ordinary Resolution 4	Re-election of Mr Mohamad Halim Bin Merican as Director			
Ordinary Resolution 5	Re-election of Ms Luo Dan as Director			
Ordinary Resolution 6	Re-election of Mr Na Wu Beng as Director			
Ordinary Resolution 7	Re-election of Mr Edward Averill Ng Yong Sheng as Director			
Ordinary Resolution 8	Re-appointment of KPMG LLP as Auditors and authority for the Directors to fix their remuneration			
Special Business				
Ordinary Resolution 9	Approval of Share Issue Mandate			
Ordinary Resolution 10	Approval of renewal of Share Purchase Mandate			
Ordinary Resolution 11	Approval of issue of shares pursuant to the Yeo Hiap Seng Limited Share Incentive Plan			
Ordinary Resolution 12	Approval of issue of shares pursuant to the Yeo Hiap Seng Limited Scrip Dividend Scheme			

\* Delete where inapplicable

\*\* Voting will be conducted by poll. If you wish your proxy(ies) to cast all your votes "For" or "Against" the relevant resolution, please tick (✓) in the "For" or "Against" box provided in respect of that resolution. Alternatively, please indicate the number of votes "For" or "Against" in the "For" or "Against" box provided in respect of that resolution. If you wish your proxy(ies) to abstain from voting on a resolution, please tick (✓) within the "Abstain" box provided in respect of that resolution. Alternatively, please indicate the number of shares that your proxy(ies) is(are) directed to abstain from voting in the "Abstain" box provided in respect of that resolution. In any other case, the proxy(ies) may vote or abstain as the proxy(ies) deem(s) fit on any of the above resolutions if no voting instruction is specified, and on any other matter arising at the Annual General Meeting.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2024.

**Total number of shares held**

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

**PLEASE READ NOTES OVERLEAF**

**Notes:**

1. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Annual General Meeting. Where such member's instrument appointing a proxy(ies) appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument.
- (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Annual General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's instrument appointing a proxy(ies) appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument.

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

A member who wishes to appoint a proxy(ies) must complete the instrument appointing a proxy(ies), before submitting it in the manner set out below.

2. A proxy need not be a member of the Company. A member may choose to appoint the Chairman of the Meeting as his/her/its proxy.
3. A member should insert the total number of shares held. If the member has shares entered against his/her/its name in the Depository Register (maintained by The Central Depository (Pte) Limited), he/she/it should insert that number of shares. If the member has shares registered in his/her/its name in the Register of Members (maintained by or on behalf of the Company), he/she/it should insert that number of shares. If the member has shares entered against his/her/its name in the Depository Register and shares registered in his/her/its name in the Register of Members, he/she/it should insert the aggregate number of shares. If no number is inserted, this instrument appointing a proxy(ies) will be deemed to relate to all the shares held by the member.
4. The instrument appointing a proxy(ies) must be submitted to the Company in the following manner:
  - (a) if submitted personally or by post, be lodged at the office of the Company's Share Registrar, B.A.C.S. Private Limited at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896; or
  - (b) if submitted electronically, be submitted via email to the Company's Share Registrar at [main@zicoholdings.com](mailto:main@zicoholdings.com),

and, in each case, must be lodged or received (as the case may be) by **2.00 p.m. on 23 April 2024**, being not less than 72 hours before the time appointed for the holding of the Annual General Meeting.

5. Completion and submission of an instrument appointing a proxy(ies) by a member will not preclude him/her from attending, speaking and voting at the Annual General Meeting if he/she so wishes. Any appointment of a proxy(ies) for the Annual General Meeting shall be deemed to be revoked if the member attends the Annual General Meeting in person, and in such event, the Company reserves the right to refuse to admit any person(s) appointed under the relevant instrument appointing a proxy(ies) to the Annual General Meeting.
6. The instrument appointing a proxy(ies) must be executed under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing a proxy(ies) is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or its duly authorised officer. Where the instrument appointing a proxy(ies) is signed on behalf of the appointor by an attorney, the power of attorney or other authority under which it is signed (if applicable) or a duly certified copy thereof must (failing previous registration with the Company), if the instrument appointing a proxy(ies) is submitted personally or by post, be lodged with the instrument, or if the instrument appointing a proxy(ies) is submitted electronically via email, be emailed with the instrument, failing which the instrument may be treated as invalid.
7. The Company shall be entitled to reject an instrument appointing a proxy(ies) if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy(ies) (including any related attachment). In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument appointing a proxy(ies), if the member, being the appointor, is not shown to have shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.

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