

YHS YEO HIAP SENG LIMITED

(Company Registration No. 195500138Z)

Unaudited Financial Statements and Dividend Announcement for the period ended 31 March 2015

PART I INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF YEAR AND FULL YEAR RESULTS

1(a)(i) Consolidated Statement of Comprehensive Income

	3 Months	
	01.01.2015 to 31.03.2015	01.01.2014 to 31.03.2014
	S\$'000	S\$'000
Revenue	121,491	111,556
Cost of sales	(73,244)	(71,437)
Gross profit	48,247	40,119
Other income	1,609	1,310
Other (losses)/gains - net	(798)	3,199
Expenses		
- Advertising and promotion	(11,204)	(10,869)
- Marketing	(298)	(172)
- Selling and distribution	(20,036)	(18,089)
- Administrative	(8,032)	(6,463)
- Finance	(24)	(16)
Share of profit of associated companies	204	281
Profit before income tax	9,668	9,300
Income tax expense	(515)	(1,952)
Net profit for the period attributable to equity holders of the Company	9,153	7,348
Other comprehensive income/(losses):		
Items that may be reclassified subsequently to profit or loss:		
Available-for-sale financial assets		
- Fair value gains/(losses)	42,970	(21,103)
- Reclassification	-	(1,978)
Currency translation gains/(losses) arising from consolidation	1,961	(866)
Other comprehensive income/(losses) for the period, net of tax	44,931	(23,947)
Total comprehensive income/(losses) attributable to equity holders of the Company	54,084	(16,599)

1(a)(ii) Notes to Consolidated Statement of Comprehensive Income

Net profit for the period is derived after (crediting)/charging the following:

	3 Months	
	01.01.2015 to 31.03.2015	01.01.2014 to 31.03.2014
	S\$'000	S\$'000
<u>Revenue</u>		
Dividend income from available-for-sale financial assets	-	(7)
<u>Cost of sales</u>		
Depreciation	1,580	1,214
Write-down of inventories, net	665	1,858
<u>Marketing expense</u>		
Depreciation	3	3
<u>Selling and distribution expense</u>		
Depreciation	938	895
Impairment of/(Write-back of impairment on) trade receivables, net	10	(97)
<u>Administrative expense</u>		
Depreciation	658	248
<u>Other losses/(gains) - net</u>		
Impairment loss on property, plant and equipment	-	369
Property, plant and equipment written-off	63	21
Fair value gains on available-for-sale financial assets reclassified from other comprehensive income on disposal	-	(1,978)
Fair value gains on financial assets, at fair value through profit or loss	-	(5)
Currency translation loss/(gain) - net	916	(1,515)
Gain on disposal of property, plant and equipment	(4)	(69)
<u>Other income</u>		
Interest income	(81)	(106)
<u>Finance expense</u>		
Interest expense on bank borrowings	24	16
<u>Income tax</u>		
Over provision of tax in respect of prior years	(1,629)	(85)

1(b) Balance Sheets

	Group		Company	
	As at 31.03.2015	As at 31.12.2014	As at 31.03.2015	As at 31.12.2014
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	130,334	130,821	76,402	85,978
Trade and other receivables	84,206	67,991	64,760	60,933
Inventories	60,620	62,556	-	-
Current income tax recoverable	1,084	1,534	-	-
	276,244	262,902	141,162	146,911
Non-current assets				
Available-for-sale financial assets	191,941	148,971	530	530
Loans to subsidiaries	-	-	160,871	152,623
Investments in associated companies	5,424	5,157	-	-
Investments in subsidiaries	-	-	305,875	305,875
Investment properties	107,250	105,205	75,265	75,000
Property, plant and equipment	194,566	194,505	762	731
Deferred income tax assets	2,167	2,651	-	-
	501,348	456,489	543,303	534,759
Total assets	777,592	719,391	684,465	681,670
LIABILITIES				
Current liabilities				
Trade and other payables	78,385	74,412	192,301	191,403
Current income tax liabilities	1,267	1,043	220	209
Borrowings	2,400	2,400	-	-
	82,052	77,855	192,521	191,612
Non-current liabilities				
Borrowings	4,000	4,600	-	-
Provisions for other liabilities and charges	2,450	2,494	-	-
Deferred income tax liabilities	7,745	7,248	132	88
Other non-current liabilities	35	34	-	-
	14,230	14,376	132	88
Total liabilities	96,282	92,231	192,653	191,700
NET ASSETS	681,310	627,160	491,812	489,970
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	219,834	219,593	219,834	219,593
Capital reserve	6,066	6,066	-	-
Other reserves	108,537	63,791	533	708
Retained profits	346,873	337,710	271,445	269,669
TOTAL EQUITY	681,310	627,160	491,812	489,970

1(b)(i) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 31.03.2015		As at 31.12.2014	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
-	2,400	-	2,400

Amount repayable after one year but before five years

As at 31.03.2015		As at 31.12.2014	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
-	4,000	-	4,600

Details of any collateral

The Company does not have any collateral.

1(c) Consolidated Statement of Cash Flows

	3 Months ended	
	31.03.2015	31.03.2014
	S\$'000	S\$'000
Cash flows from operating activities		
Net profit for the period	9,153	7,348
Adjustments for :		
Income tax expense	515	1,952
Depreciation of property, plant and equipment	3,179	2,360
Dividend income from available-for-sale financial assets	-	(7)
Share-based payment expense	66	85
Property, plant and equipment written-off	63	21
Unrealised currency translation differences	951	183
Gain on disposal of property, plant and equipment	(4)	(69)
Fair value gains on financial assets, at fair value through profit or loss	-	(5)
Fair value gains on available-for-sale financial assets reclassified from other comprehensive on disposal	-	(1,978)
Interest expense	24	16
Interest income	(81)	(106)
Provision for retirement benefits	73	74
Impairment loss on property, plant and equipment	-	369
Share of profit of associated companies	(204)	(281)
	13,735	9,962
Changes in working capital :		
Trade and other receivables	(4,577)	7,805
Inventories	1,936	5,326
Trade and other payables	3,973	(9,314)
Cash generated from operations	15,067	13,779
Income tax refund/(paid)	1,114	(979)
Retirement benefits paid	(74)	(15)
Net cash provided by operating activities	16,107	12,785

1(c) Consolidated Statement of Cash Flows (continued)

	3 Months ended	
	31.03.2015	31.03.2014
	S\$'000	S\$'000
Cash flows from investing activities		
Dividends received from available-for-sale financial assets	-	7
Proceeds from disposal of property, plant and equipment	4	195
Proceeds from disposal of available-for-sale financial assets	-	2,340
Purchases of property, plant and equipment	(4,417)	(8,451)
Deposits paid for property, plant and equipment	(11,638)	(11,141)
Purchases of financial assets, at fair value through profit or loss	-	(3,841)
Interest received	81	106
Net cash used in investing activities	(15,970)	(20,785)
Cash flows from financing activities		
Interest paid	(24)	(16)
Repayments of borrowings	(600)	(3,928)
Net cash used in financing activities	(624)	(3,944)
Net decrease in cash and cash equivalents	(487)	(11,944)
Cash and cash equivalents at beginning of financial period	130,821	189,632
Cash and cash equivalents at end of financial period	130,334	177,688
Represented by:		
Cash at bank and on hand	74,229	89,317
Fixed deposits with financial institutions	56,105	88,371
Cash and cash equivalents as per balance sheet and above	130,334	177,688

1(d)(i) Consolidated Statement of Changes in Equity

For the financial period ended 31 March 2015

	Attributable to equity holders of the Company								Total equity \$'000
	Share capital \$'000	Capital reserve \$'000	Property revaluation reserve \$'000	Fair value reserve \$'000	Foreign currency translation reserve \$'000	General reserve \$'000	Share-based payment reserve \$'000	Retained profits \$'000	
Balance at 1 January 2015	219,593	6,066	18,905	117,796	(35,588)	(37,750)	428	337,710	627,160
Employee share-based compensation scheme	-	-	-	-	-	-	66	-	66
- Value of employee services	-	-	-	-	-	-	(241)	-	-
- Issue of new shares	241	-	-	-	-	-	-	-	-
Transfer to retained profits on realisation	-	-	(6)	-	-	(4)	-	10	-
Total comprehensive income for the period	-	-	-	42,970	1,961	-	-	9,153	54,084
Balance at 31 March 2015	219,834	6,066	18,899	160,766	(33,627)	(37,754)	253	346,873	681,310

1(d)(i) Consolidated Statement of Changes in Equity (continued)

For the financial period ended 31 March 2014

	Attributable to equity holders of the Company							Total equity \$'000	
	Share capital \$'000	Capital reserve \$'000	Property revaluation reserve \$'000	Fair value reserve \$'000	Foreign currency translation reserve \$'000	General reserve \$'000	Share-based payment reserve \$'000		Retained profits \$'000
Balance at 1 January 2014	219,188	6,066	18,919	218,374	(38,239)	(37,250)	454	348,952	736,464
Employee share-based compensation scheme	-	-	-	-	-	-	85	-	85
- Value of employee services	323	-	-	-	-	-	(323)	-	-
- Issue of new shares	-	-	-	(22,591)	(866)	(490)	-	7,348	(16,599)
Total comprehensive loss for the period	-	-	-	-	-	-	-	-	-
Balance at 31 March 2014	219,511	6,066	18,919	195,783	(39,105)	(37,740)	216	356,300	719,950

1(d)(i) Statement of Changes in Equity of the Company

For the financial period ended 31 March 2015

	Share capital	Fair value reserve	Share-based payment reserve	Retained profits	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2015	219,593	280	428	269,669	489,970
Employee share-based compensation scheme					
- Value of employee services	-	-	66	-	66
- Issue of new shares	241	-	(241)	-	-
Total comprehensive income for the period	-	-	-	1,776	1,776
Balance at 31 March 2015	219,834	280	253	271,445	491,812

For the financial period ended 31 March 2014

	Share capital	Fair value reserve	Share-based payment reserve	Retained profits	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2014	219,188	140	454	298,967	518,749
Employee share-based compensation scheme					
- Value of employee services	-	-	85	-	85
- Issue of new shares	323	-	(323)	-	-
Total comprehensive income for the period	-	-	-	1,436	1,436
Balance at 31 March 2014	219,511	140	216	300,403	520,270

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous year reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding year of the immediately preceding financial year.

	3 months ended 31.03.2015
Issued and fully paid ordinary shares ('000):	
As at beginning of period	574,561
Issued during the period	
- pursuant to the grant of awards under employee share-based compensation scheme	98
As at end of period	574,659

- 1(d)(iii) To show number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer as at end of the current financial period and as at end of the immediately preceding year.

The Company does not have any treasury shares.

- 1(d)(iv) To show the total number of issued shares excluding treasury shares as at end of the current financial period and as at end of the immediately preceding year:-

	31.03.2015	31.12.2014
Number of issued shares excluding treasury shares ('000)	574,659	574,561

The Company does not have any treasury shares.

- 1(d)(v) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

There were no sales, transfers, disposal, cancellation and/or use of treasury shares as at 31 March 2015 (31 December 2014: Nil).

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has adopted the same accounting policies and methods of computation in the financial statements for the current reporting year compared with the audited financial statements for the year ended 31 December 2014.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Not applicable.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

Earnings per ordinary share of the Group

	Group	
	3 Months	
	01.01.2015 To 31.03.2015	01.01.2014 To 31.03.2014
Earnings per ordinary share for the period based on net profit attributable to equity holders of the Company during the period:-		
(a) Based on weighted average number of ordinary shares in issue (cents)	1.59	1.28
(b) On a fully diluted basis (cents)	1.59	1.28
Weighted average number of ordinary shares in issue for calculation of basic earnings per share ('000)	574,621	574,484
Weighted average number of ordinary shares in issue for calculation of diluted earnings per share ('000)	574,750	574,548

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-

- (a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	31.03.2015 Cents	31.12.2014 Cents	31.03.2015 Cents	31.12.2014 Cents
Net asset value per ordinary share based on total number of issued shares excluding treasury shares as at the end of the reporting period	118.56	109.15	85.58	85.28

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-
- a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
 - b) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.

8(a) Year to Date Results - 3 Months ended 31 March 2015 vs. 3 Months ended 31 March 2014

Food and Beverage division performance

The Food and Beverage ("F&B") revenue increased by 8.9% to \$121.49 million for the financial period ended 31 March 2015 as compared to \$111.56 million recorded in the corresponding financial period last year. The F&B division gross profit increased by 21.0% to \$45.57 million as compared to \$37.64 million recorded in the corresponding financial period last year. This is mainly due to higher revenue, improvement in gross margin and lower inventory written off in the current financial period.

Overall, the F&B division recorded a higher segment profit of \$9.30 million in the current financial period as compared to a segment profit of \$6.10 million in the corresponding financial period last year mainly due to higher gross profit of \$7.92 million and was partially offset by:

- Lower other gains (net) of \$1.08 million mainly attributable to lower net currency translation gains;
- Higher selling and distribution expense of \$1.95 million as a result of higher sales in the current financial period; and
- Higher administrative expenses of \$1.16 million mainly due to higher staff costs and professional fees incurred by subsidiaries in Singapore and Malaysia.

Property division performance

There were no property development or selling activities in the current financial period.

Group performance

The Group's net profit after tax attributable to equity holders of the Company increased by \$1.80 million from \$7.35 million recorded in the corresponding financial period last year to \$9.15 million in the current financial period. This was mainly due to higher net profit of \$3.06 million generated from F&B division and partially offset by an absence of \$1.98 million gains on disposal of available-for-sale financial assets.

8(b) Balance Sheets – 31 March 2015 vs. 31 December 2014

Group

Trade and other receivables increased by \$16.22 million from \$67.99 million as at 31 December 2014 to \$84.21 million as at 31 March 2015. The increase was mainly due to \$11.64 million deposits paid for purchases of property, plant and equipment in Indonesia and higher trade receivables correlated to higher F&B sales.

Available-for-sale financial assets increased by \$42.97 million from \$148.97 million as at 31 December 2014 to \$191.94 million as at 31 March 2015 due to fair value gains in the current financial period.

Company

Cash and cash equivalents decreased by \$9.58 million from \$85.98 million as at 31 December 2014 to \$76.40 million as at 31 March 2015 mainly due to an \$8.00 million loan extended to a subsidiary in the current financial period.

As a result, loans to subsidiaries increased from \$152.62 million as at 31 December 2014 to \$160.87 million as at 31 March 2015

8(c) Statement of Cash Flows

Year to Date - 3 months ended 31 March 2015 vs. 3 months ended 31 March 2014

The Group registered a net decrease in cash and cash equivalents of \$0.49 million for the financial period ended 31 March 2015.

Net operating cash inflow for the Group was \$16.11 million, of which \$14.50 million was contributed by F&B division and \$1.61 million was contributed by Property division. Cash inflow from property division was mainly due to a tax refund received.

Net cash outflow from investing activities of \$15.97 million was mainly due to purchases of property, plant and equipment of \$4.42 million and deposits paid for purchases of property, plant and equipment in Indonesia of \$11.64 million.

Net cash outflow from financing activities of \$0.62 million arose primarily from repayment of bank borrowings.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting year and the next 12 months.

In the next 12 months, the Group expects the F&B margins to come under pressure mainly due to competitive selling prices in the markets; volatility in foreign exchange rates; higher initial operating costs for new production lines; and offset by softening raw material prices.

The Group is optimistic that the F&B business will continue to grow at a satisfactory level. We will constantly review the way we conduct our business and processes so that improvements can be made on a continuous basis.

The property development segment is dormant.

Overall, the Group's performance is expected to remain satisfactory.

This release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate movements, cost of capital and capital availability, competition from other companies and venues for sale/manufacture/distribution of goods and services, shift in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, and governmental and public policy changes. You are cautioned not to place undue reliance on these forward-looking statements, which are based on current view of management on future events

11. Contingent Liability

None.

12. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Period

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

13. If no dividend has been declared/recommended, a statement to that effect.

No dividend is recommended for the financial period reported on.

14. Interested Person Transactions

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

BY ORDER OF THE BOARD

Lim Swee Lee Joanne
Company Secretary
24 April 2015

STATEMENT PURSUANT TO RULE 705(4) OF THE LISTING MANUAL

The directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited financial statements for the period ended 31 March 2015 to be false or misleading in any material respect.

On behalf of the Directors



TJONG YIK MIN
Director

24 April 2015



KOH BOON HWEE
Director