

YHS YEO HIAP SENG LIMITED

(Company Registration No. 195500138Z)

Unaudited Financial Statements Announcement for the period ended 30 September 2017

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

	9 Months		3 Months	
	01.01.2017 to 30.09.2017	01.01.2016 to 30.09.2016	01.07.2017 to 30.09.2017	01.07.2016 to 30.09.2016
	S\$'000	S\$'000	S\$'000	S\$'000
Revenue	256,705	318,524	87,664	94,680
Cost of sales	(174,321)	(196,109)	(60,329)	(59,121)
Gross profit	82,384	122,415	27,335	35,559
Other income	4,011	4,133	1,540	1,030
Other gains/(losses) - net	146,608	(912)	3,645	423
Expenses				
- Advertising and promotion	(15,685)	(25,326)	(5,670)	(7,064)
- Marketing	(1,088)	(1,175)	(369)	(349)
- Selling and distribution	(47,157)	(55,545)	(15,484)	(16,490)
- Administrative	(22,386)	(21,763)	(9,137)	(7,290)
Share of profit of associated companies and a joint venture	377	471	135	138
Profit before income tax	147,064	22,298	1,995	5,957
Income tax expense	(1,015)	(3,677)	(204)	(852)
Net profit for the period attributable to equity holders of the Company	146,049	18,621	1,791	5,105
Other comprehensive losses				
Items that may be reclassified subsequently to profit or loss:				
Available-for-sale financial assets				
- Fair value gains/(losses)	2,604	(5,860)	-	(3,907)
- Reclassification (Note 8 (a))	(138,350)	-	-	-
Cash flow hedges				
- Fair value (losses)/gains	(629)	(311)	(285)	200
- Reclassification	52	-	88	-
Currency translation differences arising from consolidation				
- Losses	(13,697)	(4,771)	(6,626)	(619)
- Reclassification	(7,090)	-	(1,719)	-
Other comprehensive losses for the period, net of tax	(157,110)	(10,942)	(8,542)	(4,326)
Total comprehensive (losses)/income attributable to equity holders of the Company	(11,061)	7,679	(6,751)	779

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

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

	9 Months		3 Months	
	01.01.2017 to 30.09.2017	01.01.2016 to 30.09.2016	01.07.2017 to 30.09.2017	01.07.2016 to 30.09.2016
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Revenue</u>				
Dividend income from available-for-sale financial assets	-	(2,865)	-	(1,302)
<u>Cost of sales</u>				
Depreciation	5,536	5,219	1,880	1,772
Write-down of inventories, net	1,922	1,869	743	733
<u>Marketing expense</u>				
Depreciation	12	11	4	3
<u>Selling and distribution expenses</u>				
Depreciation	2,194	2,426	718	807
Impairment of trade receivables - net	22	68	61	76
<u>Administrative expense</u>				
Depreciation	2,735	2,080	1,120	759
<u>Other losses/(gains) - net</u>				
Property, plant and equipment written-off	55	32	-	-
Fair value gains on available-for-sale financial assets reclassified from other comprehensive income on disposal (Note 8(a))	(138,350)	-	-	-
Gain on disposal and liquidation of subsidiaries - net	(9,449)	-	(4,078)	-
Currency translation loss/(gain) - net	1,539	1,258	634	(280)
(Gain)/Loss on disposal of property, plant and equipment	(12)	10	(6)	10
Gain on disposal of an investment property	(125)	-	(125)	-
<u>Other income</u>				
Interest income	(1,180)	(375)	(728)	(114)
<u>Income tax</u>				
Under/(Over) provision of tax in respect of prior years	13	(627)	9	(323)

1(b) Balance Sheets

	Group		Company	
	As at 30.09.2017	As at 31.12.2016	As at 30.09.2017	As at 31.12.2016
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	297,428	92,224	64,295	23,654
Trade and other receivables	75,864	79,712	100,820	99,354
Inventories	44,975	58,006	-	-
Current income tax recoverable	1,597	1,197	-	-
Assets classified as held for sale	15,718	-	-	-
Available-for-sale financial assets	-	166,670	-	-
	435,582	397,809	165,115	123,008
Non-current assets				
Available-for-sale financial assets	120	100	120	100
Loans to subsidiaries	-	-	22,075	22,563
Investments in associated companies	4,911	5,502	-	-
Investment in a joint venture	755	-*	-	-
Investments in subsidiaries	-	-	317,758	442,875
Investment properties	44,290	128,986	69,110	69,000
Property, plant and equipment	244,771	242,835	3,207	3,029
Deferred income tax assets	1,513	1,628	-	-
	296,360	379,051	412,270	537,567
Total assets	731,942	776,860	577,385	660,575
LIABILITIES				
Current liabilities				
Trade and other payables	70,446	79,650	99,734	161,022
Current income tax liabilities	682	1,895	126	37
Liabilities classified as held for sale**	2,092	-	-	-
	73,220	81,545	99,860	161,059
Non-current liabilities				
Provisions for other liabilities and charges	2,369	2,399	-	-
Deferred income tax liabilities	10,384	13,561	485	395
Other non-current liabilities	35	37	-	-
	12,788	15,997	485	395
Total liabilities	86,008	97,542	100,345	161,454
NET ASSETS	645,934	679,318	477,040	499,121
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	227,563	224,916	227,563	224,916
Capital reserve	6,066	6,066	-	-
Other reserves	(99,270)	67,773	485	2,313
Retained profits	511,575	380,563	248,992	271,892
TOTAL EQUITY	645,934	679,318	477,040	499,121

* : Amount is less than \$1,000.

** : These are liabilities of a China subsidiary classified as held for sale. Refer to Note 8(c) for more details.

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

The Group and the Company do not have any borrowings and debts securities.

Details of any collateral

Not applicable.

1(c) Consolidated Statement of Cash Flows

	9 Months		3 Months	
	30.09.2017	30.09.2016	30.09.2017	30.09.2016
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities				
Net profit for the period	146,049	18,621	1,791	5,105
Adjustments for :				
Income tax expense	1,015	3,677	204	852
Depreciation of property, plant and equipment	10,477	9,736	3,722	3,341
Dividend income from available-for-sale financial assets	-	(2,865)	-	(1,302)
Share-based payment expense	819	2,671	48	478
Property, plant and equipment written-off	55	32	-	-
Unrealised currency translation differences	(609)	(1,621)	(547)	833
(Gain)/Loss on disposal of property, plant and equipment	(12)	10	(6)	10
Gain on disposal of an investment property	(125)	-	(125)	-
Fair value gains on available-for-sale financial assets reclassified from other comprehensive income on disposal	(138,350)	-	-	-
Gain on disposal and liquidation of subsidiaries - net	(9,449)	-	(4,078)	-
Interest income	(1,180)	(375)	(728)	(114)
Provision for retirement benefits	64	234	44	67
Share of profit of associated companies and a joint venture	(377)	(471)	(135)	(138)
	8,377	29,649	190	9,132
Changes in working capital :				
Trade and other receivables	4,185	409	3,490	12,738
Inventories	11,928	4,362	5,052	(1,007)
Trade and other payables	(7,982)	768	(2,185)	(4,407)
Cash generated from operations	16,508	35,188	6,547	16,456
Income tax paid	(2,992)	(1,825)	(1,244)	(661)
Retirement benefits paid	(72)	(46)	(42)	(38)
Net cash provided by operating activities	13,444	33,317	5,261	15,757

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

	9 Months		3 Months	
	30.09.2017	30.09.2016	30.09.2017	30.09.2016
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from investing activities				
Dividends received from available-for-sale financial assets	-	2,865	-	1,302
Additions to investment in a joint venture	(791)	-	-	-
Proceeds from disposal of property, plant and equipment	29	261	6	195
Proceeds from disposal of an investment property	3,399	-	3,399	-
Proceeds from disposal of available-for-sale financial assets	169,274	-	-	-
Proceeds from disposal of a subsidiary, net of cash disposed of	61,843	-	61,843	-
Purchases of property, plant and equipment	(18,380)	(38,359)	(3,419)	(7,286)
Additions to available-for-sale financial assets	(20)	-	-	-
Interest received	1,180	375	728	114
Net cash provided by/(used in) investing activities	216,534	(34,858)	62,557	(5,675)
Cash flow from financing activity				
Dividends paid	(23,142)	(11,520)	(11,588)	-
Net cash used in financing activity	(23,142)	(11,520)	(11,588)	-
Net increase/(decrease) in cash and cash equivalents	206,836	(13,061)	56,230	10,082
Cash and cash equivalents at beginning of financial period	92,224	112,121	241,928	88,638
Effects of currency translation on cash and cash equivalents	(1,629)	(402)	(727)	(62)
Cash and cash equivalents at end of financial period	297,431	98,658	297,431	98,658
Represented by:				
Cash and cash equivalents as per balance sheet	297,428	98,658	297,428	98,658
Cash and cash equivalents included in assets classified as held for sale	3	-	3	-
Cash and cash equivalents as per above	297,431	98,658	297,431	98,658

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

For the financial period ended 30 September 2017

	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	Hedging reserve \$'000	Retained profits \$'000		
Balance at 1 January 2017	224,916	6,066	18,857	135,746	(51,629)	(37,780)	2,313	266	380,563		679,318
Profit for the period	-	-	-	-	-	-	-	-	146,049		146,049
Other comprehensive losses for the period	-	-	-	(135,746)	(20,787)	-	-	(577)	-		(157,110)
Transfer to retained profits on realisation	-	-	(7,090)	-	-	(1,015)	-	-	8,105		-
Total comprehensive losses for the period	-	-	(7,090)	(135,746)	(20,787)	(1,015)	-	(577)	154,154		(11,061)
Employee share-based compensation scheme											
- Value of employee services	-	-	-	-	-	-	819	-	-		819
- Issue of new shares	2,647	-	-	-	-	-	(2,647)	-	-		-
Dividends paid	-	-	-	-	-	-	-	-	(23,142)		(23,142)
Total transactions with owners, recognised directly in equity	2,647	-	-	-	-	-	(1,828)	-	(23,142)		(22,323)
Balance at 30 September 2017	227,563	6,066	11,767	-	(72,416)	(38,795)	485	(311)	511,575		645,934

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

For the financial period ended 30 September 2016

	Attributable to equity holders of the Company									
	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	Hedging reserve \$'000	Retained profits \$'000	Total equity \$'000
Balance at 1 January 2016	221,990	6,066	18,881	78,453	(54,553)	(37,765)	2,090	-	363,082	598,244
Profit for the period	-	-	-	-	-	-	-	-	18,621	18,621
Other comprehensive losses for the period	-	-	-	(5,860)	(4,771)	-	-	(311)	-	(10,942)
Transfer to retained profits on realisation	-	-	(18)	-	-	(10)	-	-	28	-
Total comprehensive income for the period	-	-	(18)	(5,860)	(4,771)	(10)	-	(311)	18,649	7,679
Employee share-based compensation scheme	-	-	-	-	-	-	2,671	-	-	2,671
- Value of employee services	2,926	-	-	-	-	-	(2,926)	-	-	-
- Issue of new shares	-	-	-	-	-	-	-	-	(11,520)	(11,520)
Dividends paid	-	-	-	-	-	-	-	-	(11,520)	(11,520)
Total transactions with owners, recognised directly in equity	2,926	-	-	-	-	-	(255)	-	(11,520)	(8,849)
Balance at 30 September 2016	224,916	6,066	18,863	72,593	(59,324)	(37,775)	1,835	(311)	370,211	597,074

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

For the quarter ended 30 September 2017

	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	Hedging reserve \$'000	Retained profits \$'000		
Balance at 1 July 2017	227,563	6,066	18,846	-	(64,071)	(37,788)	437	(114)	513,286		664,225
Profit for the quarter	-	-	-	-	-	-	-	-	1,791		1,791
Other comprehensive losses for the quarter	-	-	-	-	(8,345)	-	-	(197)	-		(8,542)
Transfer to retained profits on realisation	-	-	(7,079)	-	-	(1,007)	-	-	8,086		-
Total comprehensive losses for the quarter	-	-	(7,079)	-	(8,345)	(1,007)	-	(197)	9,877		(6,751)
Employee share-based compensation scheme	-	-	-	-	-	-	48	-	-		48
- Value of employee services	-	-	-	-	-	-	-	-	(11,588)		(11,588)
Dividends paid	-	-	-	-	-	-	-	-	-		-
Total transactions with owners, recognised directly in equity	-	-	-	-	-	-	48	-	(11,588)		(11,540)
Balance at 30 September 2017	227,563	6,066	11,767	-	(72,416)	(38,795)	485	(311)	511,575		645,934

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

For the quarter ended 30 September 2016

	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	Hedging reserve \$'000	Retained profits \$'000		
Balance at 1 July 2016	224,916	6,066	18,869	76,500	(58,705)	(37,772)	1,357	(511)	365,097	595,817	
Profit for the quarter	-	-	-	-	-	-	-	-	5,105	5,105	
Other comprehensive losses for the quarter	-	-	-	(3,907)	(619)	-	-	200	-	(4,326)	
Transfer to retained profits on realisation	-	-	(6)	-	-	(3)	-	-	9	-	
Total comprehensive income for the quarter	-	-	(6)	(3,907)	(619)	(3)	-	200	5,114	779	
Employee share-based compensation scheme - Value of employee services	-	-	-	-	-	-	478	-	-	478	
Total transactions with owners, recognised directly in equity	-	-	-	-	-	-	478	-	-	478	
Balance at 30 September 2016	224,916	6,066	18,863	72,593	(59,324)	(37,775)	1,835	(311)	370,211	597,074	

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

For the financial period ended 30 September 2017

	<u>Share capital</u> \$'000	<u>Share-based payment reserve</u> \$'000	<u>Retained profits</u> \$'000	<u>Total</u> \$'000
Balance at 1 January 2017	224,916	2,313	271,892	499,121
Profit and total comprehensive income for the period	-	-	242	242
Employee share-based compensation scheme				
- Value of employee services	-	819	-	819
- Issue of new shares	2,647	(2,647)	-	-
Dividends paid	-	-	(23,142)	(23,142)
Total transactions with owners, recognised directly in equity	2,647	(1,828)	(23,142)	(22,323)
Balance at 30 September 2017	227,563	485	248,992	477,040

For the financial period ended 30 September 2016

	<u>Share capital</u> \$'000	<u>Share-based payment reserve</u> \$'000	<u>Retained profits</u> \$'000	<u>Total</u> \$'000
Balance at 1 January 2016	221,990	2,090	286,277	510,357
Profit and total comprehensive income for the period	-	-	1,678	1,678
Employee share-based compensation scheme				
- Value of employee services	-	2,671	-	2,671
- Issue of new shares	2,926	(2,926)	-	-
Dividends paid	-	-	(11,520)	(11,520)
Total transactions with owners, recognised directly in equity	2,926	(255)	(11,520)	(8,849)
Balance at 30 September 2016	224,916	1,835	276,435	503,186

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

For the quarter ended 30 September 2017

	<u>Share capital</u> \$'000	<u>Share- based payment reserve</u> \$'000	<u>Retained profits</u> \$'000	<u>Total</u> \$'000
Balance at 1 July 2017	227,563	437	260,868	488,868
Loss and total comprehensive losses for the quarter	-	-	(288)	(288)
Employee share-based compensation scheme				
- Value of employee services	-	48	-	48
Dividends paid	-	-	(11,588)	(11,588)
Total transactions with owners, recognised directly in equity	-	48	(11,588)	(11,540)
Balance at 30 September 2017	227,563	485	248,992	477,040

For the quarter ended 30 September 2016

	<u>Share capital</u> \$'000	<u>Share- based payment reserve</u> \$'000	<u>Retained profits</u> \$'000	<u>Total</u> \$'000
Balance at 1 July 2016	224,916	1,357	276,276	502,549
Profit and total comprehensive income for the quarter	-	-	159	159
Employee share-based compensation scheme				
- Value of employee services	-	478	-	478
Total transactions with owners, recognised directly in equity	-	478	-	478
Balance at 30 September 2016	224,916	1,835	276,435	503,186

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 31.03.2017	3 months ended 30.06.2017	3 months ended 30.09.2017
Issued and fully paid ordinary shares ('000):			
As at beginning of period	577,702	577,702	579,393
Issued during the period			
- pursuant to the grant of awards under employee share-based compensation scheme	-	1,691	-
As at end of period	577,702	579,393	579,393

The Company does not have any convertibles.

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:-

	30.09.2017	31.12.2016
Number of issued shares excluding treasury shares ('000)	579,393	577,702

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 30 September 2017 (31 December 2016: 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 period compared with the audited financial statements for the year ended 31 December 2016.

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		Group	
	9 Months		3 Months	
	01.01.2017 To 30.09.2017	01.01.2016 To 30.09.2016	01.07.2017 To 30.09.2017	01.07.2016 To 30.09.2016
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)	25.25	3.23	0.31	0.88
(b) On a fully diluted basis (cents)	25.19	3.22	0.31	0.88
Weighted average number of ordinary shares in issue for calculation of basic earnings per share ('000)	578,414	576,679	579,393	577,702
Weighted average number of ordinary shares in issue for calculation of diluted earnings per share ('000)	579,792	577,958	579,760	578,778

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	
	30.09.2017 Cents	31.12.2016 Cents	30.09.2017 Cents	31.12.2016 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	111.48	117.59	82.33	86.40

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 - 9 months ended 30 September 2017 vs. 9 months ended 30 September 2016

Food and Beverage division performance

The F&B revenue and gross profit decreased by 20.3% and 33.3% to \$251.69 million and \$74.77 million respectively for the financial period ended 30 September 2017 as compared to the corresponding financial period last year. The decrease in revenue in the current financial period was mainly due to general market weakness, competitive pricing and sales disruption in Cambodia as we transited to new distributors during the financial period and the new distributors are still in the process of establishing their reach and building up sales volume. The decline in gross profit was mainly due to the lower revenue as explained earlier and higher costs of finished goods in the current financial period. Overall, the F&B division recorded a reduction in segment profit of \$18.68 million in the current financial period mainly due to:

- Lower gross profit of \$37.32 million explained above;
- and partially offset by
- Lower advertising and promotion expenses of \$8.90 million as we focused on higher impact advertising campaigns and were more efficient in our promotion spending;
 - Lower selling and distribution expenses of \$9.08 million primarily as a result of lower level of activity in the current financial period; and
 - Lower administrative expenses of \$1.05 million mainly due to lower staff costs.

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 \$127.43 million from \$18.62 million recorded in the corresponding financial period last year to \$146.05 million in the current financial period. This was mainly due to gain on disposal of investment in Super Group Ltd of \$138.35 million, net gain on disposal and liquidation of subsidiaries of \$9.45 million (Note 8(c)) and partially offset by a reduction in net profit of \$15.94 million generated from F&B division and absence of dividend income from investment in Super Group Ltd of \$2.87 million subsequent to its disposal.

8(b) Third Quarter Results - 3 months ended 30 September 2017 vs. 3 months ended 30 September 2016

Food and Beverage division performance

The Food and Beverage ("F&B") revenue and gross profit decreased by 9.8% and 23.7% to \$84.26 million and \$24.55 million respectively for the financial quarter ended 30 September 2017 as compared to the corresponding financial quarter last year. The decrease in revenue in the current financial quarter was mainly due to general market weakness, competitive pricing and sales disruption in Cambodia as the new distributors are still in the process of establishing their reach and building up sales volume. The decline in gross profit was mainly due to the lower revenue as explained earlier and higher costs of finished goods in the current financial quarter. Overall, the F&B division recorded a reduction in segment profit of \$6.17 million in the current financial quarter mainly due to:

- Lower gross profit of \$7.62 million explained above; and partially offset by
- Lower selling and distribution expenses of \$1.39 million primarily as a result of lower level of activity in the current financial quarter.

Property division performance

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

Group performance

The Group's net profit after tax attributable to equity holders of the Company decreased by \$3.32 million from \$5.11 million recorded in the corresponding financial quarter last year to \$1.79 million in the current financial quarter. This was mainly due to a reduction in net profit of \$5.38 million generated from F&B division, absence of dividend income from investment in Super Group Ltd of \$1.30 million subsequent to its disposal and partially offset by a gain on disposal of a Hong Kong subsidiary of \$4.08 million (Note 8(c)).

8(c) Balance Sheets – 30 September 2017 vs. 31 December 2016

Group

Cash and cash equivalents increased by \$205.21 million from \$92.22 million as at 31 December 2016 to \$297.43 million as at 30 September 2017. The increase was mainly due to proceeds from disposal of investment in Super Group Ltd (available-for-sale financial assets), proceeds from disposal of a Hong Kong subsidiary, proceeds from disposal of an investment property in Malaysia, cash generated from operating activities and partially offset by dividends paid to equity holders of the Company and purchases of property, plant and equipment. Please refer to Note 8(d) for more details.

Inventories decreased by \$13.03 million from \$58.01 million as at 31 December 2016 to \$44.98 million as at 30 September 2017. The decrease was mainly due to higher stock holding as at 31 December 2016 for the upcoming festive season.

The assets and liabilities classified as held for sale as at 30 September 2017 were relating to a China subsidiary for which the Group had entered into agreement for sale.

Available-for-sale financial assets (total) decreased by \$166.65 million from \$166.77 million as at 31 December 2016 to \$0.12 million as at 30 September 2017 primarily due to the disposal of investments in the ordinary shares of Super Group Ltd in the current financial period.

Investment properties decreased by \$84.70 million from \$128.99 million as at 31 December 2016 to \$44.29 million as at 30 September 2017 mainly due to disposal of a Hong Kong subsidiary which held investment properties for rental yield amounting to \$60.17 million, disposal of an industrial land in Malaysia amounting to \$3.27 million and reclassification of a China investment property amounting to \$15.71 million to assets held for sale in the current financial period.

Trade and other payables decreased by \$9.20 million from \$79.65 million as at 31 December 2016 to \$70.45 million as at 30 September 2017 mainly due to lower accruals.

Company

Cash and cash equivalents increased by \$40.65 million from \$23.65 million as at 31 December 2016 to \$64.30 million as at 30 September 2017 mainly due to increase in advance from subsidiaries of \$61.53 million and partially offset by dividends paid to equity holders of the Company of \$23.14 million.

Investment in subsidiaries decreased by \$125.12 million from \$442.88 million as at 31 December 2016 to \$317.76 million as at 30 September 2017 due to redemption of preference shares in an inactive subsidiary through settlement of amount due to the subsidiary in the current financial period.

As a result, trade and other payables decreased by \$61.29 million from \$161.02 million as at 31 December 2016 to \$99.73 million as at 30 September 2017.

8(d) Consolidated Statement of Cash Flows

Year to Date - 9 months ended 30 September 2017 vs. 9 months ended 30 September 2016

The Group registered a net increase in cash and cash equivalents of \$206.84 million for the financial period ended 30 September 2017.

Net operating cash inflow for the Group of \$13.44 million was mainly contributed by F&B division.

Net cash inflow from investing activities of \$216.53 million was mainly due to proceeds from disposal of available-for-sale financial assets of \$169.27 million, proceeds from disposal of a subsidiary of \$61.84 million, proceeds from disposal of an investment property of \$3.40 million and partially offset by purchases of property, plant and equipment of \$18.38 million.

Net cash outflow from financing activity of \$23.14 million arose from dividends paid to equity holders of the Company.

Third Quarter - 3 months ended 30 September 2017 vs. 3 months ended 30 September 2016

The Group registered a net increase in cash and cash equivalents of \$56.23 million for the financial quarter ended 30 September 2017.

Net operating cash inflow for the Group of \$5.26 million was mainly contributed by F&B division.

Net cash inflow from investing activities of \$62.56 million was mainly due to proceeds from disposal of a subsidiary of \$61.84 million, proceeds from disposal of an investment property of \$3.40 million and partially offset by purchases of property, plant and equipment of \$3.42 million.

Net cash outflow from financing activity of \$11.59 million arose from dividends paid to equity holders of the Company.

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 soft economic conditions and weak consumption outlook for our key markets; competitive selling prices; and uncertainty in raw material prices. Further, the fluctuations in the regional currencies will have an impact on our results.

We will constantly review our business strategies and operations so that improvements can be made on a continuous basis. Prior to the Singapore government's drive to combat diabetes by promoting less sugar consumption, we already have over 60 percent of our beverage products qualifying as healthier choice alternatives. We will continue to reformulate our beverage products to promote healthier consumption.

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 quarter reported on.

14. Interested Person Transactions

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

15. Confirmation that issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

The Company has procured undertakings from all its directors and executive officers required under Rule 720(1) of the Listing Manual.

BY ORDER OF THE BOARD

Lim Swee Lee Joanne
Company Secretary
10 November 2017

STATEMENT PURSUANT TO RULE 705(5) 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 30 September 2017 to be false or misleading in any material respect.

On behalf of the Directors



MELVIN TEO TZAI WIN
Director

10 November 2017



KOH BOON HWEE
Director