

Financial Statements and Dividend Announcement for the year ended 31 December 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

	12 Months		3 Months	
	01.01.2017 to 31.12.2017	01.01.2016 to 31.12.2016	01.10.2017 to 31.12.2017	01.10.2016 to 31.12.2016
	S\$'000	S\$'000	S\$'000	S\$'000
Revenue	340,706	410,032	84,001	91,508
Cost of sales	(231,625)	(254,454)	(57,304)	(58,345)
Gross profit	109,081	155,578	26,697	33,163
Other income	5,332	5,486	1,321	1,353
Other gains and losses	159,165	15,935	12,557	16,847
Expenses				
- Advertising and promotion	(22,176)	(33,814)	(6,491)	(8,488)
- Marketing	(1,494)	(1,627)	(406)	(452)
- Selling and distribution	(62,406)	(73,426)	(15,249)	(17,881)
- Administrative	(32,632)	(33,060)	(10,246)	(11,297)
Share of profit/(loss) of associated companies and a joint venture	363	503	(14)	32
Profit before income tax	155,233	35,575	8,169	13,277
Income tax expense	(1,488)	(6,613)	(473)	(2,936)
Net profit for the period attributable to equity holders of the Company	153,745	28,962	7,696	10,341
Other comprehensive (losses)/income				
Items that may be reclassified subsequently to profit or loss:				
Available-for-sale financial assets				
- Fair value gains	2,604	57,293	-	63,153
- Reclassification (Note 8 (a))	(138,350)	-	-	-
Cash flow hedges				
- Fair value (losses)/gains	(826)	93	(197)	706
- Reclassification	220	173	168	(129)
Currency translation differences arising from consolidation				
- (Losses)/Gains	(10,176)	2,924	3,521	7,695
- Reclassification	(7,721)	-	(631)	-
	(154,249)	60,483	2,861	71,425
Items that will not be reclassified subsequently to profit or loss:				
Remeasurements of defined benefit plans	(71)	-	(71)	-
Other comprehensive (losses)/income for the period, net of tax	(154,320)	60,483	2,790	71,425
Total comprehensive (losses)/income attributable to equity holders of the Company	(575)	89,445	10,486	81,766

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

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

	12 Months		3 Months	
	01.01.2017 to 31.12.2017	01.01.2016 to 31.12.2016	01.10.2017 to 31.12.2017	01.10.2016 to 31.12.2016
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Revenue</u>				
Dividend income from available-for-sale financial assets	-	(2,865)	-	-
<u>Cost of sales</u>				
Depreciation	7,437	7,049	1,901	1,830
Write-down of inventories, net	3,060	2,904	1,138	1,035
<u>Marketing expense</u>				
Depreciation	14	13	2	2
<u>Selling and distribution expenses</u>				
Depreciation	2,906	3,207	712	781
Impairment of/(Write back of impairment on) trade receivables - net	23	44	1	(24)
<u>Administrative expense</u>				
Depreciation	3,805	2,891	1,070	811
<u>Other (gains) and losses</u>				
Property, plant and equipment written-off	56	36	1	4
Fair value gains on available-for-sale financial assets reclassified from other comprehensive income on disposal (Note 8(a))	(138,350)	-	-	-
(Write-back of impairment)/Impairment loss on available-for-sale financial assets	(25)	5	(25)	5
Gain on disposal and liquidation of subsidiaries - net	(13,332)	-	(3,883)	-
Fair value losses on financial assets designated as fair value through profit or loss at initial recognition	867	-	867	-
Investment property written-off	-	13	-	13
Fair value gains on investment properties - net	(9,895)	(14,811)	(9,895)	(14,811)
Currency translation loss/(gain) - net	2,001	(289)	462	(1,547)
Gain on disposal of property, plant and equipment	(13)	(405)	(1)	(415)
Gain on disposal of an investment property	(125)	-	-	-
<u>Other income</u>				
Interest income	(1,875)	(487)	(695)	(112)
<u>Income tax</u>				
Under/(Over) provision of tax in respect of prior years	423	(395)	410	232

1(b) Balance Sheets

	Group		Company	
	As at 31.12.2017	As at 31.12.2016	As at 31.12.2017	As at 31.12.2016
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	294,843	92,224	21,517	23,654
Trade and other receivables	75,266	79,712	94,257	99,354
Inventories	53,457	58,006	-	-
Current income tax recoverable	1,952	1,197	-	-
Other financial assets	-	166,670	-	-
Non-current assets classified as held-for-sale	1,038	-	-	-
	426,556	397,809	115,774	123,008
Non-current assets				
Other financial assets	9,494	100	9,239	100
Loans to subsidiaries	-	-	14,052	22,563
Investments in associated companies	4,977	5,502	-	-
Investment in a joint venture	746	-*	-	-
Investments in subsidiaries	-	-	317,758	442,875
Investment properties	54,081	128,986	69,000	69,000
Property, plant and equipment	245,442	242,835	3,084	3,029
Deferred income tax assets	1,122	1,628	-	-
	315,862	379,051	413,133	537,567
Total assets	742,418	776,860	528,907	660,575
LIABILITIES				
Current liabilities				
Trade and other payables	71,036	79,650	47,718	161,022
Current income tax liabilities	1,021	1,895	137	37
	72,057	81,545	47,855	161,059
Non-current liabilities				
Provisions for other liabilities and charges	2,561	2,399	-	-
Deferred income tax liabilities	11,307	13,561	696	395
Other non-current liabilities	-	37	-	-
	13,868	15,997	696	395
Total liabilities	85,925	97,542	48,551	161,454
NET ASSETS	656,493	679,318	480,356	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	(100,926)	67,773	558	2,313
Retained profits	523,790	380,563	252,235	271,892
TOTAL EQUITY	656,493	679,318	480,356	499,121

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

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

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

Details of any collateral

Not applicable.

1(c) Consolidated Statement of Cash Flows

	12 Months		3 Months	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities				
Net profit for the period	153,745	28,962	7,696	10,341
Adjustments for :				
Income tax expense	1,488	6,613	473	2,936
Depreciation of property, plant and equipment	14,162	13,160	3,685	3,424
Dividend income from available-for-sale financial assets	-	(2,865)	-	-
Share-based payment expense	892	3,149	73	478
Property, plant and equipment written-off	56	36	1	4
Fair value gains on investment properties, net	(9,895)	(14,811)	(9,895)	(14,811)
Unrealised currency translation differences	(280)	2,105	329	3,726
Gain on disposal of property, plant and equipment	(13)	(405)	(1)	(415)
Gain on disposal of an investment property	(125)	-	-	-
Fair value losses on financial assets designated as fair value through profit or loss at initial recognition	867	-	867	-
Fair value gains on available-for-sale financial assets reclassified from other comprehensive income on disposal	(138,350)	-	-	-
Investment property written-off	-	13	-	13
Gain on disposal and liquidation of subsidiaries - net	(13,332)	-	(3,883)	-
(Write-back of impairment)/Impairment loss on available-for-sale financial assets	(25)	5	(25)	5
Interest income	(1,875)	(487)	(695)	(112)
Provision for retirement benefits	147	294	83	60
Share of (profit)/loss of associated companies and a joint venture	(363)	(503)	14	(32)
	7,099	35,266	(1,278)	5,617
Changes in working capital :				
Trade and other receivables	5,912	(2,669)	1,727	(3,078)
Inventories	4,439	10,348	(7,489)	5,986
Trade and other payables	(8,401)	(3,314)	(419)	(4,082)
Cash generated from operations	9,049	39,631	(7,459)	4,443
Income tax (paid)/recovered	(2,500)	(2,514)	492	(689)
Retirement benefits paid	(95)	(71)	(23)	(25)
Net cash provided by/(used in) operating activities	6,454	37,046	(6,990)	3,729

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

	12 Months		3 Months	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from investing activities				
Dividends received from available-for-sale financial assets	-	2,865	-	-
Additions to investment in a joint venture	(791)	-*	-	-*
Proceeds from disposal of property, plant and equipment	30	1,055	1	794
Proceeds from disposal of an investment property	3,399	-	-	-
Proceeds from disposal of available-for-sale financial assets	169,274	-	-	-
Proceeds from disposal of subsidiaries, net of cash disposed of	78,538	-	16,695	-
Purchases of property, plant and equipment	(21,366)	(44,782)	(2,986)	(6,423)
Deposits paid for property, plant and equipment	-	(5,303)	-	(5,303)
Additions to financial assets, at fair value through profit or loss	(10,216)	-	(10,216)	-
Additions to available-for-sale financial assets	(20)	-	-	-
Interest received	1,875	487	695	112
Net cash provided by/(used in) investing activities	220,723	(45,678)	4,189	(10,820)
Cash flow from financing activity				
Dividends paid	(23,142)	(11,520)	-	-
Net cash used in financing activity	(23,142)	(11,520)	-	-
Net increase/(decrease) in cash and cash equivalents	204,035	(20,152)	(2,801)	(7,091)
Cash and cash equivalents at beginning of financial period	92,224	112,121	297,431	98,658
Effects of currency translation on cash and cash equivalents	(1,416)	255	213	657
Cash and cash equivalents at end of financial period	294,843	92,224	294,843	92,224

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

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

For the financial year ended 31 December 2017

	Attributable to equity holders of the Company									
	Share capital	Capital reserve	Property revaluation reserve	Fair value reserve	Foreign currency translation reserve	General reserve	Share-based payment reserve	Hedging reserve	Retained profits	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'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 year	-	-	-	-	-	-	-	-	153,745	153,745
Other comprehensive losses for the year	-	-	-	(135,746)	(17,897)	-	-	(606)	(71)	(154,320)
Transfer to retained profits on realisation	-	-	(12,160)	-	-	(1,019)	-	-	13,179	-
Total comprehensive losses for the year	-	-	(12,160)	(135,746)	(17,897)	(1,019)	-	(606)	166,853	(575)
Employee share-based compensation scheme										
- Value of employee services	-	-	-	-	-	-	892	-	-	892
- Issue of new shares	2,647	-	-	-	-	-	(2,647)	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	(23,142)	(23,142)
Disposal of a subsidiary	-	-	-	-	-	484	-	-	(484)	-
Total transactions with owners, recognised directly in equity	2,647	-	-	-	-	484	(1,755)	-	(23,626)	(22,250)
Balance at 31 December 2017	227,563	6,066	6,697	-	(69,526)	(38,315)	558	(340)	523,790	656,493

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

For the financial year ended 31 December 2016

	<u>Attributable to equity holders of the Company</u>									
	Share	Capital	Property	Fair	Foreign	General	Share-based	Hedging	Retained	Total
	<u>capital</u>	<u>reserve</u>	<u>revaluation</u>	<u>value</u>	<u>currency</u>	<u>reserve</u>	<u>payment</u>	<u>reserve</u>	<u>profits</u>	<u>equity</u>
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'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 year	-	-	-	-	-	-	-	-	28,962	28,962
Other comprehensive income for the year	-	-	-	57,293	2,924	-	-	266	-	60,483
Transfer to retained profits on realisation	-	-	(24)	-	-	(15)	-	-	39	-
Total comprehensive income for the year	-	-	(24)	57,293	2,924	(15)	-	266	29,001	89,445
Employee share-based compensation scheme										
- Value of employee services	-	-	-	-	-	-	3,149	-	-	3,149
- Issue of new shares	2,926	-	-	-	-	-	(2,926)	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	(11,520)	(11,520)
Total transactions with owners, recognised directly in equity	2,926	-	-	-	-	-	223	-	(11,520)	(8,371)
Balance at 31 December 2016	224,916	6,066	18,857	135,746	(51,629)	(37,780)	2,313	266	380,563	679,318

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

For the quarter ended 31 December 2017

	Attributable to equity holders of the Company									
	Share capital	Capital reserve	Property revaluation reserve	Fair value reserve	Foreign currency translation reserve	General reserve	Share-based payment reserve	Hedging reserve	Retained profits	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 October 2017	227,563	6,066	11,767	-	(72,416)	(38,795)	485	(311)	511,575	645,934
Profit for the quarter	-	-	-	-	-	-	-	-	7,696	7,696
Other comprehensive income for the quarter	-	-	-	-	2,890	-	-	(29)	(71)	2,790
Transfer to retained profits on realisation	-	-	(5,070)	-	-	(4)	-	-	5,074	-
Total comprehensive income for the quarter	-	-	(5,070)	-	2,890	(4)	-	(29)	12,699	10,486
Employee share-based compensation scheme										
- Value of employee services	-	-	-	-	-	-	73	-	-	73
Disposal of a subsidiary	-	-	-	-	-	484	-	-	(484)	-
Total transactions with owners, recognised directly in equity	-	-	-	-	-	484	73	-	(484)	73
Balance at 31 December 2017	227,563	6,066	6,697	-	(69,526)	(38,315)	558	(340)	523,790	656,493

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

For the quarter ended 31 December 2016

	<u>Attributable to equity holders of the Company</u>									
	Share	Capital	Property	Fair	Foreign	General	Share-based	Hedging	Retained	Total
	<u>capital</u>	<u>reserve</u>	<u>revaluation</u>	<u>value</u>	<u>currency</u>	<u>reserve</u>	<u>payment</u>	<u>reserve</u>	<u>profits</u>	<u>equity</u>
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 October 2016	224,916	6,066	18,863	72,593	(59,324)	(37,775)	1,835	(311)	370,211	597,074
Profit for the quarter	-	-	-	-	-	-	-	-	10,341	10,341
Other comprehensive income for the quarter	-	-	-	63,153	7,695	-	-	577	-	71,425
Transfer to retained profits on realisation	-	-	(6)	-	-	(5)	-	-	11	-
Total comprehensive income for the quarter	-	-	(6)	63,153	7,695	(5)	-	577	10,352	81,766
Employee share-based compensation scheme										
- Value of employee services	-	-	-	-	-	-	478	-	-	478
Total transactions with owners, recognised directly in equity	-	-	-	-	-	-	478	-	-	478
Balance at 31 December 2016	224,916	6,066	18,857	135,746	(51,629)	(37,780)	2,313	266	380,563	679,318

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

For the financial year ended 31 December 2017

	Share capital \$'000	Share- based payment reserve \$'000	Retained profits \$'000	Total \$'000
Balance at 1 January 2017	224,916	2,313	271,892	499,121
Profit and total comprehensive income for the year	-	-	3,485	3,485
Employee share-based compensation scheme				
- Value of employee services	-	892	-	892
- Issue of new shares	2,647	(2,647)	-	-
Dividends paid	-	-	(23,142)	(23,142)
Total transactions with owners, recognised directly in equity	2,647	(1,755)	(23,142)	(22,250)
Balance at 31 December 2017	227,563	558	252,235	480,356

For the financial year ended 31 December 2016

	Share capital \$'000	Share- based payment reserve \$'000	Retained profits \$'000	Total \$'000
Balance at 1 January 2016	221,990	2,090	286,277	510,357
Loss and total comprehensive loss for the year	-	-	(2,865)	(2,865)
Employee share-based compensation scheme				
- Value of employee services	-	3,149	-	3,149
- Issue of new shares	2,926	(2,926)	-	-
Dividends paid	-	-	(11,520)	(11,520)
Total transactions with owners, recognised directly in equity	2,926	223	(11,520)	(8,371)
Balance at 31 December 2016	224,916	2,313	271,892	499,121

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

For the quarter ended 31 December 2017

	Share capital \$'000	Share- based payment reserve \$'000	Retained profits \$'000	Total \$'000
Balance at 1 October 2017	227,563	485	248,992	477,040
Profit and total comprehensive income for the quarter	-	-	3,243	3,243
Employee share-based compensation scheme - Value of employee services	-	73	-	73
Total transactions with owners, recognised directly in equity	-	73	-	73
Balance at 31 December 2017	227,563	558	252,235	480,356

For the quarter ended 31 December 2016

	Share capital \$'000	Share- based payment reserve \$'000	Retained profits \$'000	Total \$'000
Balance at 1 October 2016	224,916	1,835	276,435	503,186
Loss and total comprehensive loss for the quarter	-	-	(4,543)	(4,543)
Employee share-based compensation scheme - Value of employee services	-	478	-	478
Total transactions with owners, recognised directly in equity	-	478	-	478
Balance at 31 December 2016	224,916	2,313	271,892	499,121

- 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 year reported on and as at the end of the corresponding year of the immediately preceding financial year.

Issued and fully paid ordinary shares ('000):

As at beginning of period

Issued during the period

- pursuant to the grant of awards under employee share-based compensation scheme

As at end of period

3 months ended 31.03.2017	3 months ended 30.06.2017	3 months ended 30.09.2017	3 months ended 31.12.2017
577,702	577,702	579,393	579,393
-	1,691	-	-
577,702	579,393	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 year 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 year and as at end of the immediately preceding year:-

Number of issued shares excluding treasury shares ('000)

31.12.2017	31.12.2016
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 year reported on.

There were no sales, transfers, disposal, cancellation and/or use of treasury shares as at 31 December 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 been audited in accordance with Singapore Standards on Auditing.

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

The independent auditors' report on the financial statements of Yeo Hiap Seng Limited and its subsidiaries for the financial year ended 31 December 2017 is unmodified. Please refer to Attachment I.

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 financial 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 year reported on and the corresponding year of the immediately preceding financial year, after deducting any provision for preference dividends.

Earnings per ordinary share of the Group

	Group		Group	
	12 Months		3 Months	
	01.01.2017 to 31.12.2017	01.01.2016 to 31.12.2016	01.10.2017 to 31.12.2017	01.10.2016 to 31.12.2016
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)	26.57	5.02	1.33	1.79
(b) On a fully diluted basis (cents)	26.51	5.01	1.33	1.79
Weighted average number of ordinary shares in issue for calculation of basic earnings per share ('000)	578,661	576,936	579,393	577,702
Weighted average number of ordinary shares in issue for calculation of diluted earnings per share ('000)	579,874	578,559	579,813	579,136

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 year reported on; and
(b) immediately preceding financial year.

	Group		Company	
	31.12.2017 Cents	31.12.2016 Cents	31.12.2017 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	113.31	117.59	82.91	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 year 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 year reported on.

8(a) Year to Date Results - 12 months ended 31 December 2017 vs. 12 months ended 31 December 2016

Food and Beverage division performance

The Food and Beverage ("F&B") revenue and gross profit decreased by 16.3% and 29.8% to \$340.69 million and \$100.36 million respectively for the financial year ended 31 December 2017 as compared to the last financial year. The decrease in revenue in the current financial year was mainly due to general market weakness, competitive pricing and sales disruption in Cambodia as we transited to new distributors during the financial year 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 year. Overall, the F&B division recorded a reduction in segment profit of \$20.34 million in the current financial year mainly due to:

- Lower gross profit of \$42.69 million explained above;
and partially offset by:
- Lower advertising and promotion expenses of \$10.73 million as we focused on higher impact advertising campaigns and were more efficient in our promotion spending; and
- Lower selling and distribution expenses of \$11.56 million primarily as a result of lower level of activity in the current financial year.

Group performance

The Group's net profit after tax attributable to equity holders of the Company increased by \$124.79 million from \$28.96 million recorded in last financial year to \$153.75 million in the current financial year. 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 \$13.33 million; and partially offset by a reduction in net profit of \$16.21 million generated from F&B division, \$3.94 million lower fair value gains (net of tax) on investment properties and absence of dividend income from investment in Super Group Ltd of \$2.87 million subsequent to its disposal.

8(b) Fourth Quarter Results - 3 months ended 31 December 2017 vs. 3 months ended 31 December 2016

Food and Beverage division performance

The Food and Beverage ("F&B") revenue and gross profit decreased by 8.2% and 20.9% to \$83.99 million and \$24.50 million respectively for the financial quarter ended 31 December 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 \$2.46 million in the current financial quarter mainly due to:

- Lower gross profit of \$6.48 million explained above; and partially offset by
- Lower selling and distribution expenses of \$2.77 million primarily as a result of lower level of activity in the current financial quarter.

Group performance

The Group's net profit after tax attributable to equity holders of the Company decreased by \$2.64 million from \$10.34 million recorded in the corresponding financial quarter last year to \$7.70 million in the current financial quarter. This was mainly due to a reduction in net profit of \$0.94 million generated from F&B division, \$3.94 million lower fair value gains (net of tax) on investment properties and partially offset by a gain on disposal of a China subsidiary of \$3.88 million.

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

Group

Cash and cash equivalents increased by \$202.62 million from \$92.22 million as at 31 December 2016 to \$294.84 million as at 31 December 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 subsidiaries in Hong Kong and China, 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.

Other financial assets (total) decreased by \$157.28 million from \$166.77 million as at 31 December 2016 to \$9.49 million as at 31 December 2017 mainly due to the disposal of investments in the ordinary shares of Super Group Ltd and partially offset by purchases of listed equity securities classified as financial assets designated at fair value through profit or loss.

Investment properties decreased by \$74.91 million from \$128.99 million as at 31 December 2016 to \$54.08 million as at 31 December 2017 mainly due to disposal of subsidiaries in Hong Kong and China which held investment properties amounting to \$75.88 million, disposal of an industrial land in Malaysia amounting to \$3.27 million, reclassification of two investment properties in Malaysia amounting to \$1.04 million to non-current assets classified as held-for-sale; and partially offset by fair value gains on investment properties of \$9.90 million.

Trade and other payables decreased by \$8.61 million from \$79.65 million as at 31 December 2016 to \$71.04 million as at 31 December 2017 mainly due to lower accruals.

Company

Trade and other receivables and loan to subsidiaries (total) decreased by \$13.61 million from \$121.92 million as at 31 December 2016 to \$108.31 million as at 31 December 2017 mainly due to repayments from subsidiaries during the current financial year.

Other financial assets increased by \$9.14 million from \$0.10 million as at 31 December 2016 to \$9.24 million as at 31 December 2017 mainly due to purchases of listed equity securities classified as financial assets designated at fair value through profit or loss.

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

As a result, trade and other payables decreased by \$113.30 million from \$161.02 million as at 31 December 2016 to \$47.72 million as at 31 December 2017.

8(d) Consolidated Statement of Cash Flows

Year to Date - 12 months ended 31 December 2017 vs. 12 months ended 31 December 2016

The Group registered a net increase in cash and cash equivalents of \$204.04 million for the financial year ended 31 December 2017.

Net operating cash inflow for the Group of \$6.45 million was mainly contributed by F&B division.

Net cash inflow from investing activities of \$220.72 million was mainly due to proceeds from disposal of available-for-sale financial assets of \$169.27 million, proceeds from disposal of subsidiaries of \$78.54 million, proceeds from disposal of an investment property of \$3.40 million and partially offset by purchases of property, plant and equipment of \$21.37 million and additions to financial assets, at fair value through profit or loss of \$10.22 million.

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

Fourth Quarter - 3 months ended 31 December 2017 vs. 3 months ended 31 December 2016

The Group registered a net decrease in cash and cash equivalents of \$2.80 million for the financial quarter ended 31 December 2017.

Net operating cash outflow for the Group of \$6.99 million was mainly contributed by F&B division as we build up our inventory in the current financial quarter from a balance of \$44.98 million as at 30 September 2017 to \$53.46 million as at 31 December 2017.

Net cash inflow from investing activities of \$4.19 million was mainly due to proceeds from disposal of a China subsidiary of \$16.70 million; and partially offset by additions to financial assets, at fair value through profit or loss of \$10.22 million and purchases of property, plant and equipment of \$2.99 million.

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.

During the financial year, a dispute arose between the Group and the distributor of the Group's beverage products in Cambodia (the "Distributor"). Subsequent to the year end, the Group and the Distributor entered into a settlement deed to effect a full and final settlement of any and all claims between them arising out of or in connection with the distribution of the Group's beverage products in Cambodia.

The F&B division results for financial year ended 31 December 2017 was affected by general market weakness, competitive pricing and the sales disruption in Cambodia. The Group is actively working with our new distributors in Cambodia to grow the distribution network and rebuild our sales volume. In the next 12 months, the Group expects the F&B margins to remain under pressure from the weak consumption outlook for our key markets and competitive selling prices while fluctuations in raw material prices and regional currencies will also impact the F&B results. We will continue to grow our sales with our three-pronged strategy to rejuvenate our brand; grow our food business; and develop our agency business while we launch new products to cater to the evolving and rapidly changing consumer tastes. On the operational front, we will continue to enhance operational efficiencies, mitigate risks from market fluctuations and make improvements on a continuous basis.

In the recent years, regulators are increasing their focus on promoting lower sugar consumption. 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 Year Reported On

Any dividend declared for the current financial year reported on?

In 2017, the Company has paid a dividend as stated below:

Name of Dividend	Special
Dividend type	Cash
Dividend amount	S\$0.02 per ordinary share
Tax rate	Tax-exempt (1-tier)

The directors have proposed a final dividend of 2 cents per ordinary share, tax exempt (1-tier) for approval by shareholders at the forthcoming annual general meeting to be convened.

Name of Dividend	Final
Dividend type	Cash
Dividend amount	S\$0.02 per ordinary share
Tax rate	Tax-exempt (1-tier)

The final dividend, payable in cash, is subject to shareholders' approval at the Company's forthcoming annual general meeting to be convened for the financial year ended 31 December 2017.

(b) Corresponding Year of the Immediately Preceding Financial Year

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

Name of Dividend	Final
Dividend type	Cash
Dividend amount	S\$0.02 per ordinary share
Tax rate	Tax-exempt (1-tier)

(c) Date payable

Payment of the final dividend, if approved by shareholders at the forthcoming annual general meeting to be convened for the financial year ended 31 December 2017, will be made on 18 May 2018.

(d) Books closure date

Notice is hereby given that the Share Transfer Books and Register of Members of the Company will be closed on 11 May 2018 for the purposes of determining shareholders' entitlements to the proposed final dividend.

Duly completed and stamped transfers of the ordinary shares of the Company received by the Company's Share Registrar, B.A.C.S Private Limited, 8 Robinson Road #03-00 ASO Building, Singapore 048544 up to 5.00 p.m. on 10 May 2018 will be registered before shareholders' entitlements to the final dividend are determined.

Shareholders (being depositors) whose securities accounts with The Central Depository (Pte) Limited are credited with ordinary shares as at 5.00 p.m. on 10 May 2018 will be entitled to the proposed final dividend.

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

Not applicable.

14. **Segmented revenue and results for business or geographical segments of the group in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

	Consumer food and beverage products	Others	Elimination	Group
	S\$'000	S\$'000	S\$'000	S\$'000
Year ended 31 Dec 2017				
Revenue				
- External sales	340,691	15	-	340,706
- Inter-segment sales	-	5,258	(5,258)	-
	<u>340,691</u>	<u>5,273</u>	<u>(5,258)</u>	<u>340,706</u>
(Loss)/Profit from operation	(6,633)	161,545	(42)	154,870
Share of profit of associated companies and a joint venture	363	-	-	363
Segment (loss)/profit and profit before income tax	<u>(6,270)</u>	<u>161,545</u>	<u>(42)</u>	<u>155,233</u>
Income tax expense				<u>(1,488)</u>
Net profit attributable to equity holders of the Company				<u>153,745</u>

	Consumer food and beverage products	Others	Elimination	Group
	S\$'000	S\$'000	S\$'000	S\$'000
Year ended 31 Dec 2016				
Revenue				
- External sales	407,152	2,880	-	410,032
- Inter-segment sales	-	6,408	(6,408)	-
	<u>407,152</u>	<u>9,288</u>	<u>(6,408)</u>	<u>410,032</u>
Profit from operation	13,562	21,510	-	35,072
Share of profit of associated companies and a joint venture	503	-	-	503
Segment profit and profit before Income tax	<u>14,065</u>	<u>21,510</u>	<u>-</u>	<u>35,575</u>
Income tax expense				<u>(6,613)</u>
Net profit attributable to equity holders of the Company				<u>28,962</u>

15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

15.1 Consumer food & beverage products

The decrease in revenue of \$66.46 million for consumer food and beverage products for the financial year ended 31 December 2017 was mainly due to lower revenue in Singapore, Malaysia and Cambodia. Segment profit decreased by \$20.34 million as a result of margins and expenses fluctuations described in Note 8(a).

15.2 Others

The segment reported a segment profit of \$161.55 million for the financial year ended 31 December 2017 as compared to a segment profit of \$21.51 million in the previous financial year. 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 \$13.33 million; and partially offset by \$3.94 million lower fair value gains (net of tax) on investment properties and absence of dividend income from investment in Super Group Ltd of \$2.87 million subsequent to its disposal in the current financial year.

16. A breakdown of sales

	Group		
	Latest financial year	Previous financial year	%increase/ (decrease)
	S\$'000	S\$'000	
Sales reported for first half year	169,041	223,844	-24.5%
Operating profit after tax for first half year	144,258	13,516	967.3%
Sales reported for second half year	171,665	186,188	-7.8%
Operating profit after tax for second half year	9,487	15,446	-38.6%

17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

	Latest Full Year 31 December 2017	Latest Full Year 31 December 2016
	S\$'000	S\$'000
Ordinary dividend proposed/declared:		
- Special	11,588	-
- Final	11,588*	11,554
Total	23,176	11,544

* Proposed dividend for financial year ended 31 December 2017. See Note 12(a).

18. Interested Person Transactions

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

19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the prescribed format. If there are no such persons, the issuer must make an appropriate negative statement.

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST"), the Company confirms that, to the best of its knowledge, belief and information, none of the persons occupying managerial positions in the Company or any of its principal subsidiaries is a relative of a director or the chief executive officer or substantial shareholder of the Company.

20. 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
23 February 2018