

Financial Statements and Dividend Announcement for the year ended 31 December 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

	12 Months		3 Months	
	01.01.2015 to 31.12.2015	01.01.2014 to 31.12.2014	01.10.2015 to 31.12.2015	01.10.2014 to 31.12.2014
	S\$'000	S\$'000	S\$'000	S\$'000
Revenue	443,517	437,604	95,616	99,663
Cost of sales	(266,408)	(273,905)	(57,325)	(61,556)
Gross profit	177,109	163,699	38,291	38,107
Other income	6,656	6,050	1,710	1,611
Other gains - net	12,425	6,746	8,972	7,233
Expenses				
- Advertising and promotion	(39,867)	(42,317)	(7,780)	(9,181)
- Marketing	(1,619)	(1,113)	(380)	(284)
- Selling and distribution	(78,381)	(74,848)	(17,966)	(16,796)
- Administrative	(32,901)	(24,886)	(5,229)	(5,525)
- Finance	(78)	(30)	(29)	(1)
Share of profit of associated companies	665	542	139	27
Profit before income tax	44,009	33,843	17,728	15,191
Income tax expense	(7,183)	(4,892)	(3,479)	(1,920)
Net profit for the period attributable to equity holders of the Company	36,826	28,951	14,249	13,271
Other comprehensive (losses)/income:				
Items that may be reclassified subsequently to profit or loss:				
Available-for-sale financial assets				
- Fair value (losses)/gains	(39,213)	(99,090)	9,766	(17,438)
- Reclassification	(130)	(1,978)	-	-
Currency translation (losses)/gains arising from consolidation	(18,965)	2,651	1,121	(911)
Other comprehensive (losses)/income for the period, net of tax	(58,308)	(98,417)	10,887	(18,349)
Total comprehensive (losses)/income attributable to equity holders of the Company	(21,482)	(69,466)	25,136	(5,078)

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	
	01.01.2015 to 31.12.2015	01.01.2014 to 31.12.2014	01.10.2015 to 31.12.2015	01.10.2014 to 31.12.2014
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Revenue</u>				
Dividend income from available-for-sale financial assets	(4,037)	(5,867)	-	-
<u>Cost of sales</u>				
Depreciation	6,227	5,350	1,591	1,435
Write-down of inventories, net	2,573	5,806	553	1,714
<u>Marketing expense</u>				
Depreciation	13	8	3	-
<u>Selling and distribution expense</u>				
Depreciation	3,476	3,689	842	956
Impairment of trade receivables - net	315	50	178	224
<u>Administrative expense</u>				
Depreciation	2,693	2,134	697	697
<u>Other losses/(gains) - net</u>				
Impairment loss on property, plant and equipment	-	541	-	-
Property, plant and equipment written-off	357	672	42	-
Fair value gains on available-for-sale financial assets reclassified from other comprehensive income on disposal	(130)	(1,978)	-	-
Impairment loss/(Write-back of impairment) on available-for-sale financial assets	45	(30)	45	(30)
Fair value gains on financial assets, at fair value through profit or loss	-	(45)	-	(23)
Investment property written-off	-	174	-	-
Fair value gains on investment properties - net	(8,785)	(5,346)	(8,785)	(5,346)
Currency translation (gain)/loss - net	(3,193)	361	(88)	(883)
(Gain)/Loss on disposal of property, plant and equipment	(3)	(259)	1	(49)
<u>Other income</u>				
Interest income	(658)	(911)	(280)	(349)
<u>Finance expense</u>				
Interest expense on bank borrowings	78	30	29	1
<u>Income tax</u>				
(Over)/Under provision of tax in respect of prior years	(376)	-	915	(69)

1(b) Balance Sheets

	Group		Company	
	As at 31.12.2015	As at 31.12.2014	As at 31.12.2015	As at 31.12.2014
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	112,121	130,821	57,860	85,978
Trade and other receivables	72,066	67,991	76,361	60,933
Inventories	68,629	62,556	-	-
Current income tax recoverable	982	1,534	-	-
	253,798	262,902	134,221	146,911
Non-current assets				
Available-for-sale financial assets	109,482	148,971	105	530
Loans to subsidiaries	-	-	23,046	152,623
Investments in associated companies	5,170	5,157	-	-
Investments in subsidiaries	-	-	442,875	305,875
Investment properties	113,519	105,205	72,500	75,000
Property, plant and equipment	211,457	194,505	1,093	731
Deferred income tax assets	2,349	2,651	-	-
	441,977	456,489	539,619	534,759
Total assets	695,775	719,391	673,840	681,670
LIABILITIES				
Current liabilities				
Trade and other payables	83,378	74,412	162,950	191,403
Current income tax liabilities	998	1,043	179	209
Borrowings	-	2,400	-	-
	84,376	77,855	163,129	191,612
Non-current liabilities				
Borrowings	-	4,600	-	-
Provisions for other liabilities and charges	2,200	2,494	-	-
Deferred income tax liabilities	10,919	7,248	354	88
Other non-current liabilities	36	34	-	-
	13,155	14,376	354	88
Total liabilities	97,531	92,231	163,483	191,700
NET ASSETS	598,244	627,160	510,357	489,970
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	221,990	219,593	221,990	219,593
Capital reserve	6,066	6,066	-	-
Other reserves	7,106	63,791	2,090	708
Retained profits	363,082	337,710	286,277	269,669
TOTAL EQUITY	598,244	627,160	510,357	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 31.12.2015		As at 31.12.2014	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
-	-	-	2,400

Amount repayable after one year but before five years

As at 31.12.2015		As at 31.12.2014	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
-	-	-	4,600

Details of any collateral

The Company does not have any collateral.

1(c) Consolidated Statement of Cash Flows

	12 Months ended		3 Months ended	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities				
Net profit for the period	36,826	28,951	14,249	13,271
Adjustments for :				
Income tax expense	7,183	4,892	3,479	1,920
Depreciation of property, plant and equipment	12,409	11,181	3,133	3,088
Dividend income from available-for-sale financial assets	(4,037)	(5,867)	-	-
Share-based payment expense and other employee benefits	4,290	379	694	85
Property, plant and equipment written-off	357	672	42	-
Fair value gains on investment properties, net	(8,785)	(5,346)	(8,785)	(5,346)
Unrealised currency translation differences	(1,116)	982	8,538	(3,138)
(Gain)/Loss on disposal of property, plant and equipment	(3)	(259)	1	(49)
Fair value gains on financial assets, at fair value through profit or loss	-	(45)	-	(23)
Fair value gains on available-for-sale financial assets reclassified from other comprehensive on disposal	(130)	(1,978)	-	-
Investment property written-off	-	174	-	-
Impairment loss/(Write-back of impairment) on available-for-sale financial assets	45	(30)	45	(30)
Interest expense	78	30	29	1
Interest income	(658)	(911)	(280)	(349)
Provision for retirement benefits	291	265	77	45
Impairment loss on property, plant and equipment	-	541	-	-
Share of profit of associated companies	(665)	(542)	(139)	(27)
	46,085	33,089	21,083	9,448
Changes in working capital :				
Trade and other receivables	(9,199)	18,995	2,400	9,416
Inventories	(12,473)	6,111	(13,509)	1,532
Trade and other payables	15,015	(21,467)	(261)	(6,035)
Cash generated from operations	39,428	36,728	9,713	14,361
Income tax paid	(2,308)	(7,418)	(1,914)	(458)
Retirement benefits paid	(223)	(144)	(22)	(34)
Net cash provided by operating activities	36,897	29,166	7,777	13,869

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

	12 Months ended		3 Months ended	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from investing activities				
Dividends received from available-for-sale financial assets	4,037	5,867	-	-
Construction of investment properties	-	(2,242)	-	(313)
Proceeds from disposal of property, plant and equipment	83	321	-	-
Proceeds from disposal of available-for-sale financial assets	-	2,340	-	-
Proceeds from disposal of financial assets, at fair value through profit or loss	-	3,900	-	-
Dividends received from an associated company	-	751	-	751
Purchases of property, plant and equipment	(41,708)	(48,701)	(17,818)	(12,445)
Deposits paid for property, plant and equipment	(96)	-	-	-
Purchases of financial assets, at fair value through profit or loss	-	(3,841)	-	-
Interest received	658	911	280	349
Net cash used in investing activities	(37,026)	(40,694)	(17,538)	(11,658)
Cash flows from financing activities				
Dividends paid	(11,493)	(40,217)	-	-
Interest paid	(78)	(30)	(29)	(1)
Repayments of borrowings	(7,000)	(7,036)	(5,200)	(600)
Net cash used in financing activities	(18,571)	(47,283)	(5,229)	(601)
Net (decrease)/increase in cash and cash equivalents	(18,700)	(58,811)	(14,990)	1,610
Cash and cash equivalents at beginning of financial period	130,821	189,632	127,111	129,211
Cash and cash equivalents at end of financial period	112,121	130,821	112,121	130,821
Represented by:				
Cash at bank and on hand	39,954	51,495	39,954	51,495
Fixed deposits with financial institutions	72,167	79,326	72,167	79,326
Cash and cash equivalents as per balance sheet and above	112,121	130,821	112,121	130,821

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

For the financial year ended 31 December 2015

	<u>Attributable to equity holders of the Company</u>								
	<u>Share capital</u> \$'000	<u>Capital reserve</u> \$'000	<u>Property revaluation reserve</u> \$'000	<u>Fair value reserve</u> \$'000	<u>Foreign currency translation reserve</u> \$'000	<u>General reserve</u> \$'000	<u>Share-based payment reserve</u> \$'000	<u>Retained profits</u> \$'000	<u>Total equity</u> \$'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									
- Value of employee services	-	-	-	-	-	-	66	-	66
- Issue of new shares	241	-	-	-	-	-	(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
Employee share-based compensation scheme									
- Value of employee services	-	-	-	-	-	-	2,607	-	2,607
- Issue of new shares	1,915	-	-	-	-	-	(1,915)	-	-
Dividends paid	-	-	-	-	-	-	-	(11,493)	(11,493)
Transfer to retained profits on realisation	-	-	(6)	-	-	(3)	-	9	-
Total comprehensive loss for the period	-	-	-	(47,807)	(9,294)	-	-	4,004	(53,097)
Balance at 30 June 2015	221,749	6,066	18,893	112,959	(42,921)	(37,757)	945	339,393	619,327
Employee share-based compensation scheme									
- Value of employee services	-	-	-	-	-	-	693	-	693
- Issue of new shares	241	-	-	-	-	-	(241)	-	-
Transfer to retained profits on realisation	-	-	(6)	-	-	(4)	-	10	-
Total comprehensive loss for the period	-	-	-	(44,272)	(12,753)	-	-	9,420	(47,605)
Balance at 30 September 2015	221,990	6,066	18,887	68,687	(55,674)	(37,761)	1,397	348,823	572,415
Employee share-based compensation scheme									
- Value of employee services	-	-	-	-	-	-	693	-	693
Transfer to retained profits on realisation	-	-	(6)	-	-	(4)	-	10	-
Total comprehensive income for the period	-	-	-	9,766	1,121	-	-	14,249	25,136
Balance at 31 December 2015	221,990	6,066	18,881	78,453	(54,553)	(37,765)	2,090	363,082	598,244

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

For the financial year ended 31 December 2014

	<u>Attributable to equity holders of the Company</u>								
	Share capital	Capital reserve	Property revaluation reserve	Fair value reserve	Foreign currency translation reserve	General reserve	Share-based payment reserve	Retained profits	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'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									
- Value of employee services	-	-	-	-	-	-	85	-	85
- Issue of new shares	323	-	-	-	-	-	(323)	-	-
Total comprehensive loss for the period	-	-	-	(22,591)	(866)	(490)	-	7,348	(16,599)
Balance at 31 March 2014	219,511	6,066	18,919	195,783	(39,105)	(37,740)	216	356,300	719,950
Employee share-based compensation scheme									
- Value of employee services	-	-	-	-	-	-	85	-	85
Dividends paid	-	-	-	-	-	-	-	(40,217)	(40,217)
Transfer to retained profits on realisation	-	-	(2)	-	-	(1)	-	3	-
Total comprehensive loss for the period	-	-	-	(42,970)	(417)	-	-	5,185	(38,202)
Balance at 30 June 2014	219,511	6,066	18,917	152,813	(39,522)	(37,741)	301	321,271	641,616
Employee share-based compensation scheme									
- Value of employee services	-	-	-	-	-	-	124	-	124
- Issue of new shares	82	-	-	-	-	-	(82)	-	-
Transfer to retained profits on realisation	-	-	(6)	-	-	(4)	-	10	-
Total comprehensive loss for the period	-	-	-	(17,579)	4,845	-	-	3,147	(9,587)
Balance at 30 September 2014	219,593	6,066	18,911	135,234	(34,677)	(37,745)	343	324,428	632,153
Employee share-based compensation scheme									
- Value of employee services	-	-	-	-	-	-	85	-	85
Transfer to retained profits on realisation	-	-	(6)	-	-	(5)	-	11	-
Total comprehensive loss for the period	-	-	-	(17,438)	(911)	-	-	13,271	(5,078)
Balance at 31 December 2014	219,593	6,066	18,905	117,796	(35,588)	(37,750)	428	337,710	627,160

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

For the financial year ended 31 December 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
Employee share-based compensation scheme					
- Value of employee services	-	-	2,607	-	2,607
- Issue of new shares	1,915	-	(1,915)	-	-
Dividends paid	-	-	-	(11,493)	(11,493)
Total comprehensive income for the period	-	(280)	-	28,457	28,177
Balance at 30 June 2015	221,749	-	945	288,409	511,103
Employee share-based compensation scheme					
- Value of employee services	-	-	693	-	693
- Issue of new shares	241	-	(241)	-	-
Total comprehensive income for the period	-	-	-	801	801
Balance at 30 September 2015	221,990	-	1,397	289,210	512,597
Employee share-based compensation scheme					
- Value of employee services	-	-	693	-	693
Total comprehensive loss for the period	-	-	-	(2,933)	(2,933)
Balance at 31 December 2015	221,990	-	2,090	286,277	510,357

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

For the financial year ended 31 December 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
Employee share-based compensation scheme					
- Value of employee services	-	-	85	-	85
Dividends paid	-	-	-	(40,217)	(40,217)
Total comprehensive income for the period	-	-	-	1,012	1,012
Balance at 30 June 2014	219,511	140	301	261,198	481,150
Employee share-based compensation scheme					
- Value of employee services	-	-	124	-	124
- Issue of new shares	82	-	(82)	-	-
Total comprehensive income for the period	-	-	-	717	717
Balance at 30 September 2014	219,593	140	343	261,915	481,991
Employee share-based compensation scheme					
- Value of employee services	-	-	85	-	85
Total comprehensive income for the period	-	140	-	7,754	7,894
Balance at 31 December 2014	219,593	280	428	269,669	489,970

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.

	3 months ended 31.03.2015	3 months ended 30.06.2015	3 months ended 30.09.2015	3 months ended 31.12.2015
Issued and fully paid ordinary shares ('000):				
As at beginning of period	574,561	574,659	575,789	575,887
Issued during the period				
- pursuant to the grant of awards under employee share-based compensation scheme	98	1,130	98	-
As at end of period	574,659	575,789	575,887	575,887

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:-

	31.12.2015	31.12.2014
Number of issued shares excluding treasury shares ('000)	575,887	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 year reported on.

There were no sales, transfers, disposal, cancellation and/or use of treasury shares as at 31 December 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 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 auditor's report on the financial statements of Yeo Hiap Seng Limited and its subsidiaries for the financial year ended 31 December 2015 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 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 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	
	01.01.2015 To 31.12.2015	01.01.2014 To 31.12.2014	01.10.2015 To 31.12.2015	01.10.2014 To 31.12.2014
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)	6.40	5.04	2.47	2.31
(b) On a fully diluted basis (cents)	6.39	5.04	2.47	2.31
Weighted average number of ordinary shares in issue for calculation of basic earnings per share ('000)	575,339	574,534	575,887	574,561
Weighted average number of ordinary shares in issue for calculation of diluted earnings per share ('000)	576,258	574,740	576,770	574,738

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	
	31.12.2015 Cents	31.12.2014 Cents	31.12.2015 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	103.88	109.15	88.62	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 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 2015 vs. 12 Months ended 31 December 2014**

Food and Beverage division performance

The Food and Beverage ("F&B") revenue increased by 1.8% to \$439.43 million for the financial year ended 31 December 2015 as compared to \$431.74 million recorded in the last financial year. The F&B division gross profit increased by 9.8% to \$163.04 million as compared to \$148.49 million recorded in the last financial year. This is mainly due to higher revenue, improvement in gross margin and lower inventory written off in current financial year.

Overall, the F&B division recorded a higher segment profit of \$26.32 million in the current financial year as compared to a segment profit of \$16.27 million in the last financial year mainly due to:

- Higher gross profit of \$14.55 million;
 - Lower advertising and promotion expense of \$2.71 million;
 - Higher other gains of \$4.36 million mainly due to higher currency translation gains;
- and partially offset by:
- Higher selling and distribution expense of \$3.41 million primarily as a result of higher sales in the current financial year; and
 - Higher administrative expenses of \$7.72 million mainly due to higher staff costs and higher depreciation from new or renovated buildings and computer software.

Property division performance

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

Group performance

The Group's net profit after tax attributable to equity holders of the Company increased by \$7.88 million from \$28.95 million recorded in the last financial year to \$36.83 million in the current financial year. This was mainly due to higher net profit of \$6.37 million generated from the F&B division, \$3.44 million higher fair value gains on investment properties and partially offset by lower fair value gains of \$1.85 million from disposal of available-for-sale financial assets.

8(b) Fourth Quarter Results - 3 Months ended 31 December 2015 vs. 3 Months ended 31 December 2014

Food and Beverage division performance

The F&B revenue decreased by 4.1% to \$95.56 million for the quarter ended 31 December 2015 as compared to \$99.66 million recorded in the corresponding quarter last year. The F&B gross profit decreased by \$0.03 million mainly due to lower revenue in the current financial quarter.

The F&B division recorded a lower segment profit of \$7.02 million in the current quarter as compared to \$7.37 million in the corresponding quarter last year mainly due to:

- Higher administrative expenses of \$1.42 million mainly due to higher staff costs;
- Higher selling and distribution expenses of \$0.94 million; and partially offset by
- Lower advertising and promotion expense of \$1.52 million.

Property division performance

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

Group performance

The Group recorded net profit after tax attributable to equity holders of the Company of \$14.25 million in the current financial quarter, as compared to \$13.27 million in the corresponding quarter last year. The increase in net profit of \$0.98 million was mainly due to \$3.44 million higher fair value gains on investment properties and partially offset by lower net profit from F&B division of \$1.21 million.

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

Group

Cash and cash equivalents decreased by \$18.70 million from \$130.82 million as at 31 December 2014 to \$112.12 million as at 31 December 2015. The decrease was mainly due to dividends paid to equity holders of the Company, repayment of borrowings, purchases of property, plant and equipment; and partially offset by cash generated from operating activities. Please refer to Note 8(d) for more details.

Trade and other receivables increased by \$4.08 million from \$67.99 million as at 31 December 2014 to \$72.07 million as at 31 December 2015. The increase was mainly due to higher sales.

Inventories increased by \$6.07 million from \$62.56 million as at 31 December 2014 to \$68.63 million as at 31 December 2015 mainly due to higher stock holding for the upcoming festive season.

Available-for-sale financial assets decreased by \$39.49 million from \$148.97 million as at 31 December 2014 to \$109.48 million as at 31 December 2015 mainly due to fair value losses in the current financial year.

Investment properties increased by \$8.31 million from \$105.21 million as at 31 December 2014 to \$113.52 million as at 31 December 2015 mainly due to \$8.79 million fair value gains in the current financial year.

Property, plant and equipment increased by \$16.95 million from \$194.51 million as at 31 December 2014 to \$211.46 million as at 31 December 2015. The increase was mainly due to additions of \$41.71 million and partially offset by current year's depreciation charge of \$12.41 million and \$11.91 million lower translated carrying amount of assets mainly due to weakening of Malaysian Ringgit.

Trade and other payables increased by \$8.97 million from \$74.41 million as at 31 December 2014 to \$83.38 million as at 31 December 2015. The increase was largely due to higher purchases and accruals.

Borrowings of \$7.00 million as at 31 December 2014 were fully repaid during the current financial year.

Company

Cash and cash equivalents decreased by \$28.12 million from \$85.98 million as at 31 December 2014 to \$57.86 million as at 31 December 2015 mainly due to net increase in amounts due from subsidiaries and dividends paid to equity holders of the Company in the current financial year.

Trade and other receivables increased by \$15.43 million from \$60.93 million as at 31 December 2014 to \$76.36 million as at 31 December 2015 mainly due to higher receivables from subsidiaries.

Loans to subsidiaries decreased from \$152.62 million as at 31 December 2014 to \$23.05 million as at 31 December 2015 mainly due to capitalisation of loans to a subsidiary in the current financial year.

Investments in subsidiaries increased by \$137.00 million from \$305.88 million as at 31 December 2014 to \$442.88 million as at 31 December 2015 mainly due to the capitalisation of loans to a subsidiary.

Trade and other payables decreased by \$28.45 million from \$191.40 million as at 31 December 2014 to \$162.95 million as at 31 December 2015 due to repayment to a subsidiary in the current financial year.

8(d) Statement of Cash Flows

Year to Date - 12 months ended 31 December 2015 vs. 12 months ended 31 December 2014

The Group registered a net decrease in cash and cash equivalents of \$18.70 million for the financial year ended 31 December 2015.

Net operating cash inflow for the Group of \$36.90 million was made up of inflows from F&B division and Property division of \$36.54 million and \$0.36 million respectively.

Net cash outflow from investing activities of \$37.03 million was mainly due to \$41.71 million purchases of property, plant and equipment; partially offset by \$4.04 million dividend income received.

Net cash outflow from financing activities of \$18.57 million was mainly due to \$11.49 million dividends paid to equity holders of the Company and \$7.00 million repayment of bank borrowings.

Fourth Quarter - 3 months ended 31 December 2015 vs. 3 months ended 31 December 2014

The Group registered a net decrease in cash and cash equivalents of \$14.99 million for the quarter ended 31 December 2015.

Net operating cash inflow for the Group was \$7.78 million, made up of \$8.37 million contributed by F&B division and partially offset by outflow in the Property division of \$0.59 million.

Net cash outflow from investing activities of \$17.54 million in the current financial quarter was mainly due to purchases of property, plant and equipment of \$17.82 million.

Net cash outflow from financing activities of \$5.23 million arose primarily from \$5.20 million 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 soft economic data and weak 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 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 Year Reported On

Any dividend declared for the current financial year reported on?

The directors have proposed a first and 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	First and final
Dividend type	Cash
Dividend amount	S\$0.02 per ordinary share
Tax rate	Tax-exempt (1-tier)

The first and final dividend, payable in cash, is subject to shareholders' approval at the Company's forthcoming Annual General Meeting to be held on 22 April 2016.

(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	First and final
Dividend type	Cash
Dividend amount	S\$0.02 per ordinary share
Tax rate	Tax-exempt (1-tier)

(c) Date payable

Payment of the first and final dividend, if approved by the members at the Annual General Meeting to be held on 22 April 2016, will be made on 18 May 2016.

(d) Books closure date

Notice is hereby given that the Share Transfer Books and Register of Members of the Company will be closed on 6 May 2016 for the purposes of determining shareholders' entitlements to the proposed first and final dividend.

Duly completed and stamped transfers received by the Company's Share Registrar, B.A.C.S Private Limited, 63 Cantonment Road, Singapore 089758 up to 5.00 p.m. on 5 May 2016 will be registered before shareholders' entitlements to the first and 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 5 May 2016 will be entitled to the proposed first and 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	Property development	Other investments	Elimination	Group
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Year ended 31 Dec 2015					
Revenues					
- External sales	439,426	-	4,091	-	443,517
- Inter-segment sales	-	-	6,636	(6,636)	-
	<u>439,426</u>	<u>-</u>	<u>10,727</u>	<u>(6,636)</u>	<u>443,517</u>
Profit from operation	25,651	1,332	16,439	-	43,422
Share of profit of associated companies	665	-	-	-	665
Segment profit	<u>26,316</u>	<u>1,332</u>	<u>16,439</u>	<u>-</u>	<u>44,087</u>
Finance expense					<u>(78)</u>
Profit before income tax					44,009
Income tax expense					<u>(7,183)</u>
Net profit attributable to equity holders of the Company					<u>36,826</u>

	Consumer food and beverage products	Property development	Other investments	Elimination	Group
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Year ended 31 Dec 2014					
Revenues					
- External sales	431,737	-	5,867	-	437,604
- Inter-segment sales	-	-	6,508	(6,508)	-
	<u>431,737</u>	<u>-</u>	<u>12,375</u>	<u>(6,508)</u>	<u>437,604</u>
Profit/(Loss) from operation	15,729	(243)	17,845	-	33,331
Share of profit of associated companies	542	-	-	-	542
Segment profit/(loss)	<u>16,271</u>	<u>(243)</u>	<u>17,845</u>	<u>-</u>	<u>33,873</u>
Finance expense					<u>(30)</u>
Profit before income tax					33,843
Income tax expense					<u>(4,892)</u>
Net profit attributable to equity holders of the Company					<u>28,951</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

The increase in revenue of \$7.69 million for consumer food and beverage products for the financial year ended 31 December 2015 was mainly due to the improved performance from Singapore, Cambodia, China and North America, offset by softer sales in Malaysia. Segment profit increased by \$10.05 million as a result of margins and expenses fluctuations described in Note 8(a).

15.2 Property Development

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

15.3 Other Investments

The segment reported a segment profit of \$16.44 million for the financial year ended 31 December 2015 as compared to a segment profit of \$17.85 million in the previous financial year. This was mainly due to \$1.85 million lower gains on disposal of available-for-sale financial assets, lower dividend income of \$1.83 million and partially offset by \$3.44 million higher fair value gains on investment properties 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	238,417	223,237	6.8%
Operating profit after tax	13,157	12,533	5.0%
Sales reported for second half year	205,100	214,367	-4.3%
Operating profit after tax	23,669	16,418	44.2%

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	Latest Full Year
	31 December 2015	31 December 2014
	S\$'000	S\$'000
Ordinary dividend proposed/declared: - First and final	11,520*	11,493

* Proposed dividend for financial year ended 31 December 2015. 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 of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Company confirms that there is no person occupying a managerial position in the company who is related to the director, 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
22 February 2016



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
YEO HIAP SENG LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Yeo Hiap Seng Limited (the "Company") and its subsidiaries (the "Group"), which comprise the balance sheets of the Group and the Company as at 31 December 2015, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 8 to 85.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

KPMG LLP
Public Accountants and
Chartered Accountants
Singapore
22 February 2016