

Financial Statements and Dividend Announcement for the year ended 31 December 2014

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	
	01.01.2014 to 31.12.2014	01.01.2013 to 31.12.2013	01.10.2014 to 31.12.2014	01.10.2013 to 31.12.2013
	S\$'000	S\$'000	S\$'000	S\$'000
Revenue	437,604	515,330	99,663	103,425
Cost of sales	(273,905)	(301,212)	(61,556)	(63,214)
Gross profit	163,699	214,118	38,107	40,211
Other income	6,050	4,792	1,611	1,920
Other gains - net	6,746	25,309	7,233	8,790
Expenses				
- Advertising and promotion	(42,317)	(42,012)	(9,181)	(10,741)
- Marketing	(1,113)	(4,767)	(284)	(647)
- Selling and distribution	(74,848)	(74,865)	(16,796)	(18,106)
- Administrative	(24,886)	(29,083)	(5,525)	(7,675)
- Finance	(30)	(122)	(1)	(26)
Share of profit of associated companies	542	500	27	418
Profit before income tax	33,843	93,870	15,191	14,144
Income tax (expense)/credit	(4,892)	(6,232)	(1,920)	2,923
Net profit for the period attributable to equity holders of the Company	28,951	87,638	13,271	17,067
Other comprehensive (losses)/income:				
Items that may be reclassified subsequently to profit or loss:				
Available-for-sale financial assets				
- Fair value (losses)/gains	(99,090)	47,196	(17,438)	(27,471)
- Reclassification	(1,978)	(21,286)	-	-
Currency translation gains/(losses) arising from consolidation	2,651	1,944	(911)	462
	(98,417)	27,854	(18,349)	(27,009)
Items that will not be reclassified subsequently to profit or loss:				
Revaluation gain on property, plant and equipment	-	1,322	-	-
Other comprehensive (losses)/income for the period, net of tax	(98,417)	29,176	(18,349)	(27,009)
Total comprehensive (losses)/income attributable to equity holders of the Company	(69,466)	116,814	(5,078)	(9,942)

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	
	01.01.2014 to 31.12.2014	01.01.2013 to 31.12.2013	01.10.2014 to 31.12.2014	01.10.2013 to 31.12.2013
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Revenue</u>				
Dividend income from available-for-sale financial assets	(5,867)	(4,666)	-	(37)
<u>Cost of sales</u>				
Depreciation	5,350	4,328	1,435	1,394
Write-down of inventories, net	5,806	2,516	1,714	200
<u>Marketing expense</u>				
Depreciation	8	10	-	2
<u>Selling and distribution expense</u>				
Depreciation	3,689	2,712	956	788
Impairment of/(Write-back of impairment on) trade receivables, net	50	(89)	224	(48)
<u>Administrative expense</u>				
Depreciation	2,134	2,415	697	666
<u>Other losses/(gains) - net</u>				
Impairment loss on property, plant and equipment	541	1,100	-	-
Property, plant and equipment written-off	672	339	-	-
Fair value gains on available-for-sale financial assets reclassified from other comprehensive income on disposal	(1,978)	(21,286)	-	-
Gain on disposal of available-for-sale financial assets	-	(622)	-	(622)
(Write-back of impairment)/Impairment loss on available-for-sale financial assets	(30)	5	(30)	5
Fair value gains on financial assets, at fair value through profit or loss	(45)	(230)	(23)	(5)
Investment property written-off	174	-	-	-
Fair value gains on investment properties - net	(5,346)	(9,035)	(5,346)	(9,035)
Currency translation loss/(gain) - net	361	7,696	(883)	2,123
Gain on disposal of property, plant and equipment	(259)	(2,432)	(49)	(1,684)
<u>Other income</u>				
Interest income	(911)	(646)	(349)	(313)
<u>Finance expense</u>				
Interest expense on bank borrowings	30	122	1	26
<u>Income tax</u>				
(Over)/Under provision of tax in respect of prior years	-	(283)	(69)	93

1(b) Balance Sheets

	Group		Company	
	As at 31.12.2014	As at 31.12.2013	As at 31.12.2014	As at 31.12.2013
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	130,821	189,632	85,978	104,237
Trade and other receivables	67,991	86,986	60,933	55,734
Inventories	62,556	68,667	-	-
Current income tax recoverable	1,534	1,155	-	-
	262,902	346,440	146,911	159,971
Non-current assets				
Available-for-sale financial assets	148,971	250,371	530	360
Loans to subsidiaries	-	-	152,623	152,008
Investments in associated companies	5,157	5,326	-	-
Investments in subsidiaries	-	-	305,875	305,875
Investment properties	105,205	99,727	75,000	63,631
Property, plant and equipment	194,505	154,705	731	763
Deferred income tax assets	2,651	3,415	-	-
	456,489	513,544	534,759	522,637
Total assets	719,391	859,984	681,670	682,608
LIABILITIES				
Current liabilities				
Trade and other payables	74,412	95,879	191,403	160,338
Current income tax liabilities	1,043	4,934	209	238
Borrowings	2,400	7,036	-	-
	77,855	107,849	191,612	160,576
Non-current liabilities				
Borrowings	4,600	7,000	-	-
Provisions for other liabilities and charges	2,494	2,411	-	-
Deferred income tax liabilities	7,248	6,227	88	3,283
Other non-current liabilities	34	33	-	-
	14,376	15,671	88	3,283
Total liabilities	92,231	123,520	191,700	163,859
NET ASSETS	627,160	736,464	489,970	518,749
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	219,593	219,188	219,593	219,188
Capital reserve	6,066	6,066	-	-
Other reserves	63,791	162,258	708	594
Retained profits	337,710	348,952	269,669	298,967
TOTAL EQUITY	627,160	736,464	489,970	518,749

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

Amount repayable in one year or less, or on demand

As at 31.12.2014		As at 31.12.2013	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
-	2,400	1,636	5,400

Amount repayable after one year but before five years

As at 31.12.2014		As at 31.12.2013	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
-	4,600	-	7,000

Details of any collateral

In 2013, short-term bank loan of the Group totalling \$1,636,000 was secured by a first mortgage over an investment property of a subsidiary.

1(c) Consolidated Statement of Cash Flows

	12 Months ended		3 Months ended	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities				
Net profit for the period	28,951	87,638	13,271	17,067
Adjustments for :				
Income tax expense/(credit)	4,892	6,232	1,920	(2,923)
Depreciation of property, plant and equipment	11,181	9,465	3,088	2,850
Dividend income from available-for-sale financial assets	(5,867)	(4,666)	-	(37)
Share-based payment expense	379	324	85	2
Property, plant and equipment written-off	672	339	-	-
Fair value gains on investment properties, net	(5,346)	(9,035)	(5,346)	(9,035)
Unrealised currency translation differences	982	1,276	(3,138)	(107)
Gain on disposal of property, plant and equipment	(259)	(2,432)	(49)	(1,684)
Fair value gains on financial assets, at fair value through profit or loss	(45)	(230)	(23)	(5)
Fair value gains on available-for-sale financial assets reclassified from other comprehensive on disposal	(1,978)	(21,286)	-	-
Gain on disposal of available-for-sale financial assets	-	(622)	-	(622)
Investment property written-off	174	-	-	-
(Write-back of impairment)/Impairment loss on available-for-sale financial assets	(30)	5	(30)	5
Interest expense	30	122	1	26
Interest income	(911)	(646)	(349)	(313)
Provision for retirement benefits	265	319	45	72
Impairment loss on property, plant and equipment	541	1,100	-	-
Share of results of associated companies	(542)	(500)	(27)	(418)
	33,089	67,403	9,448	4,878
Changes in working capital :				
Trade and other receivables	18,995	41,143	9,416	19,815
Inventories	6,111	(9,324)	1,532	(9,398)
Development properties	-	35,986	-	1,635
Trade and other payables	(21,467)	7,475	(6,035)	(1,766)
Cash generated from operations	36,728	142,683	14,361	15,164
Income tax paid	(7,418)	(24,584)	(458)	(447)
Retirement benefits paid	(144)	(137)	(34)	(31)
Net cash provided by operating activities	29,166	117,962	13,869	14,686

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

	12 Months ended		3 Months ended	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from investing activities				
Dividends received from available-for-sale financial assets	5,867	4,666	-	37
Construction of investment properties	(2,242)	-	(313)	-
Proceeds from disposal of property, plant and equipment	321	3,701	(152)	2,949
Proceeds from disposal of available-for-sale financial assets	2,340	29,122	-	356
Proceeds from disposal of financial assets, at fair value through profit or loss	3,900	15,703	-	3,195
Dividends received from an associated company	751	757	751	-
Purchases of property, plant and equipment	(48,701)	(53,896)	(12,293)	(30,286)
Deposits paid for property, plant and equipment	-	(7,211)	-	(3,209)
Purchases of financial assets, at fair value through profit or loss	(3,841)	(7,943)	-	-
Interest received	911	646	349	313
Net cash used in investing activities	(40,694)	(14,455)	(11,658)	(26,645)
Cash flows from financing activities				
Dividends paid to equity holders of the Company	(40,217)	(5,744)	-	-
Interest paid	(30)	(122)	(1)	(26)
Repayments of borrowings	(7,036)	(7,384)	(600)	(1,163)
Proceeds from borrowings	-	3,000	-	-
Acquisition of non-controlling interests in a subsidiary	-	(85,121)	-	-
Net cash used in financing activities	(47,283)	(95,371)	(601)	(1,189)
Net (decrease)/increase in cash and cash equivalents	(58,811)	8,136	1,610	(13,148)
Cash and cash equivalents at beginning of financial period	189,632	181,496	129,211	202,780
Cash and cash equivalents at end of financial period	130,821	189,632	130,821	189,632
Represented by:				
Cash at bank and on hand	51,495	101,422	51,495	101,422
Fixed deposits with financial institutions	79,326	88,210	79,326	88,210
Cash and cash equivalents as per balance sheet and above	130,821	189,632	130,821	189,632

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

For the financial year ended 31 December 2014

	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	Retained profits	Total	Non-controlling interests	Total equity
	\$'000	\$'000	\$'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	-	736,464
Employee share-based compensation scheme											
- Value of employee services	-	-	-	-	-	-	85	-	85	-	85
- Issue of new shares	323	-	-	-	-	-	(323)	-	-	-	-
Total comprehensive loss for the period	-	-	-	(22,591)	(866)	(490)	-	7,348	(16,599)	-	(16,599)
Balance at 31 March 2014	219,511	6,066	18,919	195,783	(39,105)	(37,740)	216	356,300	719,950	-	719,950
Employee share-based compensation scheme											
- Value of employee services	-	-	-	-	-	-	85	-	85	-	85
Dividends paid to equity holders of the Company	-	-	-	-	-	-	-	(40,217)	(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)	-	(38,202)
Balance at 30 June 2014	219,511	6,066	18,917	152,813	(39,522)	(37,741)	301	321,271	641,616	-	641,616
Employee share-based compensation scheme											
- Value of employee services	-	-	-	-	-	-	124	-	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)	-	(9,587)
Balance at 30 September 2014	219,593	6,066	18,911	135,234	(34,677)	(37,745)	343	324,428	632,153	-	632,153
Employee share-based compensation scheme											
- Value of employee services	-	-	-	-	-	-	85	-	85	-	85
Transfer to retained profits on realisation	-	-	(6)	-	-	(5)	-	11	-	-	-
Total comprehensive loss for the period	-	-	-	(17,438)	(911)	-	-	13,271	(5,078)	-	(5,078)
Balance at 31 December 2014	219,593	6,066	18,905	117,796	(35,588)	(37,750)	428	337,710	627,160	-	627,160

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

For the financial year ended 31 December 2013

	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	Retained profits	Total	Non-controlling interests	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2013	218,865	6,066	17,597	189,806	(40,183)	1,088	453	267,058	660,750	49,441	710,191
Employee share-based compensation scheme											
- Value of employee services	-	-	-	-	-	-	26	-	26	-	26
- Issue of new shares	277	-	-	-	-	-	(277)	-	-	-	-
Acquisition of non-controlling interests in a subsidiary	-	-	-	-	-	(35,680)	-	-	(35,680)	(49,441)	(85,121)
Total comprehensive income for the period	-	-	1,322	46,005	1,268	-	-	19,758	68,353	-	68,353
Balance at 31 March 2013	219,142	6,066	18,919	235,811	(38,915)	(34,592)	202	286,816	693,449	-	693,449
Employee share-based compensation scheme											
- Value of employee services	-	-	-	-	-	-	25	-	25	-	25
Dividends paid to equity holders of the Company	-	-	-	-	-	-	-	(5,744)	(5,744)	-	(5,744)
Total comprehensive income for the period	-	-	-	27,441	1,300	-	-	28,475	57,216	-	57,216
Balance at 30 June 2013	219,142	6,066	18,919	263,252	(37,615)	(34,592)	227	309,547	744,946	-	744,946
Employee share-based compensation scheme											
- Value of employee services	-	-	-	-	-	-	271	-	271	-	271
- Issue of new shares	46	-	-	-	-	-	(46)	-	-	-	-
Total comprehensive income for the period	-	-	-	(20,065)	(1,086)	-	-	22,338	1,187	-	1,187
Balance at 30 September 2013	219,188	6,066	18,919	243,187	(38,701)	(34,592)	452	331,885	746,404	-	746,404
Employee share-based compensation scheme											
- Value of employee services	-	-	-	-	-	-	2	-	2	-	2
Total comprehensive losses for the period	-	-	-	(24,813)	462	(2,658)	-	17,067	(9,942)	-	(9,942)
Balance at 31 December 2013	219,188	6,066	18,919	218,374	(38,239)	(37,250)	454	348,952	736,464	-	736,464

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

	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 to equity holders of the Company	-	-	-	(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)(i) Statement of Changes in Equity of the Company (continued)

	Share capital	Fair value reserve	Share-based payment reserve	Retained profits	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2013	218,865	7,637	453	195,089	422,044
Employee share-based compensation scheme					
- Value of employee services	-	-	26	-	26
- Issue of new shares	277	-	(277)	-	-
Total comprehensive income for the period	-	198	-	4,164	4,362
Balance at 31 March 2013	219,142	7,835	202	199,253	426,432
Employee share-based compensation scheme					
- Value of employee services	-	-	25	-	25
Dividends paid to equity holders of the Company	-	-	-	(5,744)	(5,744)
Total comprehensive income for the period	-	(7,697)	-	85,910	78,213
Balance at 30 June 2013	219,142	138	227	279,419	498,926
Employee share-based compensation scheme					
- Value of employee services	-	-	271	-	271
- Issue of new shares	46	-	(46)	-	-
Total comprehensive income for the period	-	-	-	2,246	2,246
Balance at 30 September 2013	219,188	138	452	281,665	501,443
Employee share-based compensation scheme					
- Value of employee services	-	-	2	-	2
Total comprehensive income for the period	-	2	-	17,302	17,304
Balance at 31 December 2013	219,188	140	454	298,967	518,749

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 31.03.2014	3 months ended 30.06.2014	3 months ended 30.09.2014	3 months ended 31.12.2014
Issued and fully paid ordinary shares ('000):				
As at beginning of period	574,328	574,528	574,528	574,561
Issued during the period				
- pursuant to the grant of awards under employee share-based compensation scheme	200	-	33	-
As at end of period	574,528	574,528	574,561	574,561

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:-

	31.12.2014	31.12.2013
Number of issued shares excluding treasury shares ('000)	574,561	574,328

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 2014 (31 December 2013: 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 2014 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 2013.

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 12 Months		Group 3 Months	
	01.01.2014 To 31.12.2014	01.01.2013 To 31.12.2013	01.10.2014 To 31.12.2014	01.10.2013 To 31.12.2013
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)	5.04	15.26	2.31	2.97
(b) On a fully diluted basis (cents)	5.04	15.25	2.31	2.97
Weighted average number of ordinary shares in issue for calculation of basic earnings per share ('000)	574,534	574,313	574,561	574,328
Weighted average number of ordinary shares in issue for calculation of diluted earnings per share ('000)	574,740	574,524	574,738	574,575

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	
	31.12.2014 Cents	31.12.2013 Cents	31.12.2014 Cents	31.12.2013 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	109.15	128.23	85.28	90.32

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 2014 vs. 12 Months ended 31 December 2013**

Food and Beverage division performance

The Food and Beverage ("F&B") revenue increased by 0.3% to \$431.74 million for the financial year ended 31 December 2014 as compared to \$430.59 million recorded in the last financial year. The F&B division gross profit decreased by 7.0% to \$148.49 million as compared to \$159.68 million recorded in the last financial year. This is mainly due to higher inventory written off, utility expense, repair and maintenance expenses and commencement of depreciation for new production line in current financial year.

Overall, the F&B division recorded a lower segment profit of \$16.27 million in the current financial year as compared to a segment profit of \$16.84 million in the last financial year mainly due to lower gross profit of \$11.19 million.

The decrease was partially offset by:

- Lower administrative expenses of \$5.68 million mainly due to lower professional fees and staff costs incurred by subsidiaries in Singapore and Malaysia and lower rental, utilities and staff costs in China;
- Lower advertising and promotion expenses of \$1.67 million mainly due to lower level of activities and expenditure in Singapore; and
- Lower other losses (net) of \$3.46 million mainly attributable to lower currency translation losses.

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 decreased by \$58.69 million from \$87.64 million recorded in the last financial year to \$28.95 million in the current financial year. This was mainly due to \$3.41 million lower net profit from F&B division, an absence of \$34.60 million net profit from Property division, \$19.31 million lower gains on disposal of available-for-sale financial assets and \$3.69 million lower fair value gains on investment properties in the current financial year.

8(b) Fourth Quarter Results - 3 Months ended 31 December 2014 vs. 3 Months ended 31 December 2013

Food and Beverage division performance

The F&B revenue decreased by 0.5% to \$99.66 million for the quarter ended 31 December 2014 as compared to \$100.19 million recorded in the corresponding quarter last year. The F&B gross profit decreased by \$2.16 million mainly due to higher inventory written off.

The F&B division recorded a higher segment profit of \$7.37 million in the current quarter as compared to \$1.52 million in the corresponding quarter last year mainly due to:

- Lower administrative expenses of \$3.83 million mainly due to lower staff costs incurred by subsidiaries in Singapore and China;
- Lower advertising and promotion expenses of \$2.19 million mainly due to a decrease in advertising and promotion activities carried out by our subsidiary in Singapore; and
- Lower selling and distribution expenses of \$1.21 million mainly due to lower costs incurred in Singapore as a result of lower sales in the current quarter.

The increases were partially offset by lower gross profit of \$2.16 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 \$13.27 million in the current quarter, as compared to \$17.07 million in the corresponding quarter last year. The decrease in net profit of \$3.80 million was mainly due to absence of net profit from Property division of \$1.84 million and \$3.69 million lower fair value gains on investment properties in the current financial quarter, offset by higher net profit from F&B division of \$2.75 million.

8(c) Balance Sheets – 31 December 2014 vs. 31 December 2013

Group

Cash and cash equivalents decreased by \$58.81 million from \$189.63 million as at 31 December 2013 to \$130.82 million as at 31 December 2014. The decrease was mainly due to dividends paid to equity holders of the Company, 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 decreased by \$19.00 million from \$86.99 million as at 31 December 2013 to \$67.99 million as at 31 December 2014. The decrease was mainly due to utilisation of deposits paid for purchases of property, plant and equipment and collection from F&B and remaining property receivables.

Inventories decreased by \$6.11 million from \$68.67 million as at 31 December 2013 to \$62.56 million as at 31 December 2014 mainly due to lower stock holding in the Malaysian subsidiary.

Available-for-sale financial assets decreased by \$101.40 million from \$250.37 million as at 31 December 2013 to \$148.97 million as at 31 December 2014 largely due to fair value losses and disposal of a quoted investment in the current financial year.

Investment properties increased by \$5.48 million from \$99.73 million as at 31 December 2013 to \$105.21 million as at 31 December 2014 largely due to \$5.35 million fair value gains during the current financial year.

Property, plant and equipment increased by \$39.80 million from \$154.71 million as at 31 December 2013 to \$194.51 million as at 31 December 2014. The increase was mainly due to additions of \$48.70 million, reclassification of \$4.43 million from investment properties as a result of the change in use of a property from investment holding to warehousing in the current financial year and partially offset by current year's depreciation charge of \$11.18 million.

Trade and other payables decreased by \$21.47 million from \$95.88 million as at 31 December 2013 to \$74.41 million as at 31 December 2014. The decrease was largely due to lower accruals as well as settlement of other payables for capital expenditure.

Company

Cash and cash equivalents decreased by \$18.26 million from \$104.24 million as at 31 December 2013 to \$85.98 million as at 31 December 2014 mainly due to \$40.22 million dividends paid to equity holders of the Company and \$10.14 million additions to investment properties; and partially offset by \$24.02 million net advances from subsidiaries and \$3.71 million interest income received.

As a result, investment properties increased from \$63.63 million as at 31 December 2013 to \$75.00 million as at 31 December 2014, trade and other receivables increased from \$55.73 million as at 31 December 2013 to \$60.93 million as at 31 December 2014, and trade and other payables increased from \$160.34 million as at 31 December 2013 to \$191.40 million as at 31 December 2014.

8(d) Statement of Cash Flows

Year to Date - 12 months ended 31 December 2014 vs. 12 months ended 31 December 2013

The Group registered a net decrease in cash and cash equivalents of \$58.81 million for the financial year ended 31 December 2014.

Net operating cash inflow for the Group was \$29.17 million, of which \$29.63 million was contributed by F&B division and partially offset by outflow in the Property division of \$0.46 million.

Net cash outflow from investing activities of \$40.69 million was mainly due to \$48.70 million purchases of property, plant and equipment; partially offset by \$6.62 million dividend income received and net proceeds of \$2.40 million from disposals of quoted investments.

Net cash outflow from financing activities of \$47.28 million was mainly due to \$40.22 million dividend paid to equity holders of the Company and \$7.04 million repayment of bank borrowings.

Fourth Quarter - 3 months ended 31 December 2014 vs. 3 months ended 31 December 2013

The Group registered a net increase in cash and cash equivalents of \$1.61 million for the quarter ended 31 December 2014.

Net operating cash inflow for the Group of \$13.87 million was made up of inflows from F&B division and Property division of \$13.21 million and \$0.66 million respectively.

Net cash outflow from investing activities of \$11.66 million in the current financial quarter was mainly due to purchases of property, plant and equipment of \$12.29 million.

Net cash outflow from financing activities of \$0.60 million arose primarily from repayment of bank borrowings.

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

Not applicable.

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

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

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

The property development segment is dormant.

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

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

11. Contingent Liability

None.

12. Dividend

(a) Current Financial 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 24 April 2015.

(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	Special
Dividend type	Cash	Cash
Dividend amount	S\$0.02 per ordinary share	S\$0.05 per ordinary share
Tax rate	Tax-exempt (1-tier)	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 24 April 2015, will be made on 21 May 2015.

(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 2015 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 2015 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 2015 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 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>

	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 2013					
Revenues					
- External sales	430,585	80,085	4,660	-	515,330
- Inter-segment sales	-	-	4,856	(4,856)	-
	<u>430,585</u>	<u>80,085</u>	<u>9,516</u>	<u>(4,856)</u>	<u>515,330</u>
Profit from operation	16,337	38,711	38,444	-	93,492
Share of profit of associated companies	500	-	-	-	500
Segment profit	<u>16,837</u>	<u>38,711</u>	<u>38,444</u>	<u>-</u>	<u>93,992</u>
Finance expense					<u>(122)</u>
Profit before income tax					93,870
Income tax expense					<u>(6,232)</u>
Net profit attributable to equity holders of the Company					<u>87,638</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 \$1.15 million for consumer food and beverage products for the financial year ended 31 December 2014 was mainly due to the improved performance from Malaysia, China and Cambodia, offset by softer sales in Singapore and North America. Segmental profit decreased by \$0.57 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 an operating profit of \$17.85 million as compared to an operating profit of \$38.44 million in the previous financial year due mainly to \$19.31 million lower gains on disposal of available-for-sale financial assets and \$3.69 million lower 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	223,237	282,596	-21.0%
Operating profit after tax	12,533	48,233	-74.0%
Sales reported for second half year	214,367	232,734	-7.9%
Operating profit after tax	16,418	39,405	-58.3%

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 2014	Latest Full Year 31 December 2013
	S\$'000	S\$'000
Ordinary dividend proposed/declared:		
- First and final	11,493*	11,491
- Special	-	28,726
	-	40,217

* Proposed dividend for financial year ended 31 December 2014. 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.

BY ORDER OF THE BOARD

Lim Swee Lee Joanne
Company Secretary
26 February 2015



KPMG LLP
16 Raffles Quay #22-00
Hong Leong Building
Singapore 048581

Attachment 1

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**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 2014, 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 # to #.

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 profit and loss accounts and balance sheets 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 to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2014 and the results, changes in equity and cash flows of the Group for the year ended on that date.

Other Matters

The financial statements of the Group for the financial year ended 31 December 2013 were audited by another auditor who expressed an unmodified opinion on those statements on 6 March 2014.

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 subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

KPMG LLP

KPMG LLP
*Public Accountants and
Chartered Accountants*
Singapore, 26 February 2015

The page numbers are as stated in the Independent Auditors' Report dated 26 February 2015 included in Yeo Hiap Seng Limited's Annual Report for the financial year ended 31 December 2014.