

Financial Statements and Dividend Announcement for the year ended 31 December 2019

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	
	01.01.2019 to 31.12.2019	01.01.2018 to 31.12.2018	01.10.2019 to 31.12.2019	01.10.2018 to 31.12.2018
	S\$'000	S\$'000	S\$'000	S\$'000
Revenue	364,349	348,632	84,211	79,206
Cost of sales	(245,215)	(231,699)	(59,245)	(52,318)
Gross profit	119,134	116,933	24,966	26,888
Other income	9,128	6,158	2,716	1,808
Other gains and (losses) - net				
- Gains on disposal and fair value gains/(losses) on financial assets	3,627	963	3	(117)
- Others	16,984	9,582	2,728	5,755
Expenses				
- Advertising and promotion	(28,733)	(23,984)	(5,771)	(6,780)
- Marketing	(1,541)	(1,413)	(462)	(385)
- Selling and distribution	(60,382)	(62,184)	(14,229)	(15,385)
- Administrative	(33,581)	(32,926)	(8,517)	(9,954)
- Finance	(723)	-	(182)	-
Share of profit/(loss) of associated companies and a joint venture	184	292	(112)	334
Profit before income tax	24,097	13,421	1,140	2,164
Income tax expense	(6,407)	(1,399)	(802)	(340)
Net profit for the period attributable to equity holders of the Company	17,690	12,022	338	1,824
Other comprehensive (losses)/income				
Items that may be reclassified subsequently to profit or loss:				
Cash flow hedges				
- Fair value losses	(100)	(154)	(42)	-
- Reclassification	52	494	(11)	-
Currency translation (losses)/gains arising from consolidation	(1,957)	(553)	(2,371)	1,429
	(2,005)	(213)	(2,424)	1,429
Items that will not be reclassified subsequently to profit or loss:				
Remeasurements of defined benefit plans	88	637	88	637
Other comprehensive (losses)/income for the period, net of tax	(1,917)	424	(2,336)	2,066
Total comprehensive income/(losses) attributable to equity holders of the Company	15,773	12,446	(1,998)	3,890

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	
	01.01.2019 to 31.12.2019	01.01.2018 to 31.12.2018	01.10.2019 to 31.12.2019	01.10.2018 to 31.12.2018
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Revenue</u>				
Dividend income	-	(206)	-	-
<u>Cost of sales</u>				
Depreciation	6,358	6,556	1,612	1,458
Amortisation of intangible assets	189	-	52	-
Write-down of inventories, net	4,044	2,898	2,551	843
<u>Marketing expense</u>				
Depreciation	11	13	2	2
<u>Selling and distribution expenses</u>				
Depreciation	4,498	2,497	1,127	598
Impairment of trade receivables - net	256	213	107	36
<u>Administrative expense</u>				
Depreciation	4,579	4,409	1,184	1,095
Amortisation of intangible assets	28	-	28	-
Amortisation of capitalised letting fees	23	-	23	-
<u>Other (gains) and losses - net</u>				
Gains on disposal and fair value (gains)/losses on financial assets designated as fair value through profit or loss at initial recognition - net	(3,627)	(963)	(3)	117
Fair value gains on investment properties - net	(2,406)	(5,501)	(2,406)	(5,501)
Currency translation (gain)/loss - net	(201)	(450)	42	(67)
(Gain)/Loss on disposal of property, plant and equipment - net	(13,678)	(2,773)	48	191
Gain on disposal of investment properties	(293)	-	(265)	-
Gain on disposal of an associated company	-	(2)	-	-
<u>Other income</u>				
Interest income	(5,339)	(3,645)	(1,413)	(1,190)
<u>Finance expense</u>				
Interest expense on lease liabilities	723	-	182	-
<u>Income tax</u>				
Under/(Over) provision of tax in respect of prior years	762	(533)	136	(603)

1(b) Balance Sheets

	Group		Company	
	As at 31.12.2019	As at 31.12.2018	As at 31.12.2019	As at 31.12.2018
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	295,751	282,729	14,877	18,916
Trade and other receivables	72,795	70,186	64,473	65,333
Inventories	54,716	61,550	-	-
Current income tax recoverable	1,516	1,881	-	-
Non-current assets classified as held-for-sale	-	838	-	-
	424,778	417,184	79,350	84,249
Non-current assets				
Trade and other receivables	3,744	-	-	-
Other financial assets	53	10,457	-	10,326
Loans to subsidiaries	-	-	41,052	41,052
Investments in associated companies	4,656	4,884	-	-
Investment in a joint venture	646	658	-	-
Investments in subsidiaries	-	-	317,758	317,758
Investment properties	52,312	59,131	79,883	65,000
Property, plant and equipment	223,543	212,268	2,587	3,102
Intangible assets	5,246	-	-	-
Deferred income tax assets	2,592	3,856	-	-
	292,792	291,254	441,280	437,238
Total assets	717,570	708,438	520,630	521,487
LIABILITIES				
Current liabilities				
Trade and other payables	61,986	59,967	55,723	45,638
Current income tax liabilities	6,287	1,250	133	133
Lease liabilities	2,576	-	268	-
	70,849	61,217	56,124	45,771
Non-current liabilities				
Lease liabilities	19,161	-	14,615	-
Provisions for other liabilities and charges	1,741	1,836	-	-
Deferred income tax liabilities	10,122	12,253	617	572
	31,024	14,089	15,232	572
Total liabilities	101,873	75,306	71,356	46,343
NET ASSETS	615,697	633,132	449,274	475,144
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	228,245	228,245	228,245	228,245
Capital reserve	6,066	6,066	-	-
Other reserves	(46,293)	(40,838)	-	-
Retained profits	427,679	439,659	221,029	246,899
TOTAL EQUITY	615,697	633,132	449,274	475,144

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	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities				
Net profit for the period	17,690	12,022	338	1,824
Adjustments for :				
Income tax expense	6,407	1,399	802	340
Depreciation of property, plant and equipment	15,446	13,475	3,925	3,153
Dividend income	-	(206)	-	-
Share-based payment expense	-	124	-	-
Fair value gains on investment properties - net	(2,406)	(5,501)	(2,406)	(5,501)
Unrealised currency translation differences	(117)	(792)	(401)	334
(Gain)/Loss on disposal of property, plant and equipment - net	(13,678)	(2,773)	48	191
Gain on disposal of investment properties	(293)	-	(265)	-
Gains on disposal and fair value (gains)/losses on financial assets designated as fair value through profit or loss at initial recognition - net	(3,627)	(963)	(3)	117
Amortisation of intangible assets	217	-	80	-
Amortisation of capitalised letting fees	23	-	23	-
Gain on disposal of an associated company	-	(2)	-	-
Interest expense	723	-	182	-
Interest income	(5,339)	(3,645)	(1,413)	(1,190)
Provision for retirement benefits	196	296	43	70
Share of (profit)/loss of associated companies and a joint venture	(184)	(292)	112	(334)
	15,058	13,142	1,065	(996)
Changes in working capital :				
Trade and other receivables	(4,286)	4,649	6,252	(3,474)
Inventories	6,508	(7,783)	(8,949)	(8,418)
Trade and other payables	2,306	(6,083)	2,239	7,972
Cash generated from/(used in) operations	19,586	3,925	607	(4,916)
Income tax (paid)/refunded	(879)	(1,068)	249	(301)
Retirement benefits paid	(203)	(179)	(53)	(28)
Net cash provided by/(used in) operating activities	18,504	2,678	803	(5,245)

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

	12 Months		3 Months	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from investing activities				
Dividends received	-	206	-	-
Dividends received from an associated company	-	886	-	886
Payments for intangible assets	(3,744)	-	-	-
Proceeds from disposal of property, plant and equipment	15,173	4,099	44	-
Proceeds from disposal of investment properties	9,799	578	723	-
Proceeds from disposal of financial assets, at fair value through profit or loss	44,031	-	-	-
Proceeds from disposal of an associated company	-	2	-	-
Payments for purchases of and deposits for property, plant and equipment	(12,679)	(12,856)	(7,093)	(2,077)
Additions to financial assets, at fair value through profit or loss	(30,000)	-	-	-
Additions to investment properties	(535)	-	-	-
Interest received	5,339	3,645	1,413	1,190
Net cash provided by/(used in) investing activities	27,384	(3,440)	(4,913)	(1)
Cash flows from financing activities				
Dividends paid	(28,995)	(11,588)	-	-
Interest paid	(723)	-	(182)	-
Repayments of lease liabilities	(2,746)	-	(779)	-
Net cash used in financing activities	(32,464)	(11,588)	(961)	-
Net increase/(decrease) in cash and cash equivalents	13,424	(12,350)	(5,071)	(5,246)
Cash and cash equivalents at beginning of financial period	282,729	294,843	301,208	287,945
Effects of currency translation on cash and cash equivalents	(402)	236	(386)	30
Cash and cash equivalents at end of financial period	295,751	282,729	295,751	282,729

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

For the financial year ended 31 December 2019

	<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>Foreign currency translation reserve</u> \$'000	<u>General reserve</u> \$'000	<u>Share-based payment reserve</u> \$'000	<u>Hedging reserve</u> \$'000	<u>Retained profits</u> \$'000	<u>Total equity</u> \$'000
Balance at 31 December 2018	228,245	6,066	6,669	(9,172)	(38,335)	-	-	439,659	633,132
Adoption of SFRS(l) 16 [^]	-	-	-	-	-	-	-	(4,213)	(4,213)
Balance at 1 January 2019	228,245	6,066	6,669	(9,172)	(38,335)	-	-	435,446	628,919
Profit for the year	-	-	-	-	-	-	-	17,690	17,690
Other comprehensive losses for the year	-	-	-	(1,957)	-	-	(48)	88	(1,917)
Transfer to retained profits on realisation	-	-	(3,401)	-	(49)	-	-	3,450	-
Total comprehensive income for the year	-	-	(3,401)	(1,957)	(49)	-	(48)	21,228	15,773
Dividends paid	-	-	-	-	-	-	-	(28,995)	(28,995)
Total transactions with owners, recognised directly in equity	-	-	-	-	-	-	-	(28,995)	(28,995)
Balance at 31 December 2019	228,245	6,066	3,268	(11,129)	(38,384)	-	(48)	427,679	615,697

[^] : Refer to Note 5 for impact on adoption of SFRS(l) 16.

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

For the financial year ended 31 December 2018

	<u>Attributable to equity holders of the Company</u>								
	<u>Share capital</u>	<u>Capital reserve</u>	<u>Property revaluation reserve</u>	<u>Foreign currency translation reserve</u>	<u>General reserve</u>	<u>Share-based payment reserve</u>	<u>Hedging reserve</u>	<u>Retained profits</u>	<u>Total equity</u>
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2018	227,563	6,066	6,697	(8,619)	(38,315)	558	(340)	438,540	632,150
Profit for the year	-	-	-	-	-	-	-	12,022	12,022
Other comprehensive income for the year	-	-	-	(553)	-	-	340	637	424
Transfer to retained profits on realisation	-	-	(28)	-	(20)	-	-	48	-
Total comprehensive income for the year	-	-	(28)	(553)	(20)	-	340	12,707	12,446
Employee share-based compensation scheme									
- Value of employee services	-	-	-	-	-	124	-	-	124
- Issue of new shares	682	-	-	-	-	(682)	-	-	-
Dividends paid	-	-	-	-	-	-	-	(11,588)	(11,588)
Total transactions with owners, recognised directly in equity	682	-	-	-	-	(558)	-	(11,588)	(11,464)
Balance at 31 December 2018	228,245	6,066	6,669	(9,172)	(38,335)	-	-	439,659	633,132

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

For the quarter ended 31 December 2019

	<u>Attributable to equity holders of the Company</u>								
	Share capital \$'000	Capital reserve \$'000	Property revaluation reserve \$'000	Foreign currency translation reserve \$'000	General reserve \$'000	Share-based payment reserve \$'000	Hedging reserve \$'000	Retained profits \$'000	Total equity \$'000
Balance at 1 October 2019	228,245	6,066	3,326	(8,758)	(38,347)	-	5	427,158	617,695
Profit for the quarter	-	-	-	-	-	-	-	338	338
Other comprehensive losses for the quarter	-	-	-	(2,371)	-	-	(53)	88	(2,336)
Transfer to retained profits on realisation	-	-	(58)	-	(37)	-	-	95	-
Total comprehensive losses for the quarter	-	-	(58)	(2,371)	(37)	-	(53)	521	(1,998)
Balance at 31 December 2019	228,245	6,066	3,268	(11,129)	(38,384)	-	(48)	427,679	615,697

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

For the quarter ended 31 December 2018

	<u>Attributable to equity holders of the Company</u>								
	<u>Share capital</u>	<u>Capital reserve</u>	<u>Property revaluation reserve</u>	Foreign	<u>General reserve</u>	Share-based	<u>Hedging reserve</u>	<u>Retained profits</u>	<u>Total equity</u>
				<u>currency translation reserve</u>		<u>payment reserve</u>			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 October 2018	228,245	6,066	6,675	(10,601)	(38,332)	-	-	437,189	629,242
Profit for the quarter	-	-	-	-	-	-	-	1,824	1,824
Other comprehensive income for the quarter	-	-	-	1,429	-	-	-	637	2,066
Transfer to retained profits on realisation	-	-	(6)	-	(3)	-	-	9	-
Total comprehensive income for the quarter	-	-	(6)	1,429	(3)	-	-	2,470	3,890
Balance at 31 December 2018	228,245	6,066	6,669	(9,172)	(38,335)	-	-	439,659	633,132

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

For the financial year ended 31 December 2019

	<u>Share capital</u> \$'000	<u>Share-based payment reserve</u> \$'000	<u>Retained profits</u> \$'000	<u>Total</u> \$'000
Balance at 1 January 2019	228,245	-	246,899	475,144
Profit and total comprehensive income for the year	-	-	3,125	3,125
Dividends paid	-	-	(28,995)	(28,995)
Total transactions with owners, recognised directly in equity	-	-	(28,995)	(28,995)
Balance at 31 December 2019	228,245	-	221,029	449,274

For the financial year ended 31 December 2018

	<u>Share capital</u> \$'000	<u>Share-based payment reserve</u> \$'000	<u>Retained profits</u> \$'000	<u>Total</u> \$'000
Balance at 1 January 2018	227,563	558	252,235	480,356
Profit and total comprehensive income for the year	-	-	6,252	6,252
Employee share-based compensation scheme				
- Value of employee services	-	124	-	124
- Issue of new shares	682	(682)	-	-
Dividends paid	-	-	(11,588)	(11,588)
Total transactions with owners, recognised directly in equity	682	(558)	(11,588)	(11,464)
Balance at 31 December 2018	228,245	-	246,899	475,144

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

For the quarter ended 31 December 2019

	<u>Share capital</u> \$'000	Share-based payment <u>reserve</u> \$'000	<u>Retained profits</u> \$'000	<u>Total</u> \$'000
Balance at 1 October 2019	228,245	-	221,780	450,025
Loss and total comprehensive loss for the quarter	-	-	(751)	(751)
Balance at 31 December 2019	228,245	-	221,029	449,274

For the quarter ended 31 December 2018

	<u>Share capital</u> \$'000	Share-based payment <u>reserve</u> \$'000	<u>Retained profits</u> \$'000	<u>Total</u> \$'000
Balance at 1 October 2018	228,245	-	243,171	471,416
Profit and total comprehensive income for the quarter	-	-	3,728	3,728
Balance at 31 December 2018	228,245	-	246,899	475,144

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 31.12.2019	3 months ended 30.09.2019	3 months ended 30.06.2019	3 months ended 31.03.2019
Issued and fully paid ordinary shares ('000):				
As at beginning and end of period	579,911	579,911	579,911	579,911

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:-

	31.12.2019	31.12.2018
Number of issued shares excluding treasury shares ('000)	579,911	579,911

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 2019 (31 December 2018: 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 2019 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 2018 except as explained in Note 5 below.

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.

The Group has adopted Singapore Financial Reporting Standards (International) (“SFRS(I)”) 16 Leases effective on 1 January 2019. The Group has applied the simplified transition approach and will not restate comparative amounts for the year prior to first adoption. Right-of-use assets for leases will be measured on transition as if the new rules had always been applied.

The Group has recognised right-of-use assets of \$17,417,000 on 1 January 2019, lease liabilities of \$22,513,000 and deferred income tax assets of \$883,000. As a result, retained profits was \$4,213,000 lower on 1 January 2019.

The Company has recognised right-of-use assets and lease liabilities of \$15,149,000 on 1 January 2019 for its investment property.

Operating cash flows will increase and financing cash flows will decrease as repayment of the principal portion of the lease liabilities will be classified as cash flows from financing activities.

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	
	01.01.2019 to 31.12.2019	01.01.2018 to 31.12.2018	01.10.2019 to 31.12.2019	01.10.2018 to 31.12.2018
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)	3.05	2.07	0.06	0.31
(b) On a fully diluted basis (cents)	3.05	2.07	0.06	0.31
Weighted average number of ordinary shares in issue for calculation of basic earnings per share ('000)	579,911	579,685	579,911	579,911
Weighted average number of ordinary shares in issue for calculation of diluted earnings per share ('000)	579,911	579,914	579,911	579,911

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.

Net asset value per ordinary share based on total number of issued shares excluding treasury shares as at the end of the reporting period

Group		Company	
31.12.2019 Cents	31.12.2018 Cents	31.12.2019 Cents	31.12.2018 Cents
106.17	109.18	77.47	81.93

Included in net asset value per ordinary share of the Group is 51.00 cents of cash and cash equivalents per ordinary share as at 31 December 2019 (31 December 2018: 48.75 cents of cash and cash equivalents per ordinary share).

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 2019 vs. 12 months ended 31 December 2018

Group performance

The revenue and gross profit increased by 4.5% and 1.9% to \$364.35 million and \$119.13 million respectively for the financial year ended 31 December 2019 as compared to the last financial year mainly due to higher sales in Singapore, Cambodia, Europe and China during the current financial year. Overall, net profit after tax of the Group increased by \$5.67 million from \$12.02 million recorded in the last financial year to \$17.69 million in the current financial year. During the current financial year, we have rationalised our property portfolio to reduce our operating costs base including the disposal of a United States property. Accordingly, this has contributed to higher gain on disposal of property, plant and equipment in other gains. To continue to invest in our brand and protect our market share, we have increased advertising and promotion expenses during the festive seasons in our key markets.

8(b) Fourth Quarter Results - 3 months ended 31 December 2019 vs. 3 months ended 31 December 2018

Group performance

The revenue increased by 6.3% to \$84.21 million for the financial quarter ended 31 December 2019 as compared to the corresponding financial quarter last year mainly due to higher sales in Singapore, Malaysia and Cambodia during the current financial quarter. Overall, net profit after tax of the Group decreased by \$1.48 million from \$1.82 million recorded in the corresponding financial quarter last year to \$0.34 million in the current financial quarter. This was mainly due to lower fair value gains (net of tax) on investment properties.

8(c) Balance Sheets – 31 December 2019 vs. 31 December 2018

Group

Cash and cash equivalents increased by \$13.02 million from \$282.73 million as at 31 December 2018 to \$295.75 million as at 31 December 2019. The increase was mainly due to operating cash inflow from F&B division, net proceeds from disposal of financial assets, investment properties and property, plant and equipment; and partially offset by dividends paid to equity holders of the Company. Please refer to Note 8(d) for more details.

Trade and other receivables (current and non-current) increased by \$6.35 million from \$70.19 million as at 31 December 2018 to \$76.54 million as at 31 December 2019. The increase was mainly due to timing of sales and deposits paid for property, plant and equipment.

Inventories decreased by \$6.83 million from \$61.55 million as at 31 December 2018 to \$54.72 million as at 31 December 2019. The decrease was mainly due to timing of sell-in of stocks for the festive season.

Other financial assets decreased by \$10.41 million from \$10.46 million as at 31 December 2018 to \$0.05 million as at 31 December 2019 mainly due to disposal of equity investments during the financial year.

Investment properties decreased by \$6.82 million from \$59.13 million as at 31 December 2018 to \$52.31 million as at 31 December 2019 mainly due to disposal of a property in United States and partially offset by fair value gains on investment properties.

Property, plant and equipment and total lease liabilities increased by \$11.28 million and \$21.74 million respectively mainly due to the recognition of right-of-use assets and corresponding lease liabilities on the adoption of SFRS(I) 16 Leases on 1 January 2019. In addition to this, the increase in property, plant and equipment was further due to additions and partially offset by current year's depreciation charge.

Intangible assets increased by \$5.25 million from acquisition of trademark licence, bottling right and software licences.

Current income tax liabilities increased by \$5.04 million from \$1.25 million as at 31 December 2018 to \$6.29 million as at 31 December 2019 mainly due to income tax payable for disposal of a property in United States.

Company

Other financial assets decreased by \$10.33 million due to disposal of equity investments during the financial year.

Investment properties and total lease liabilities increased by \$14.88 million and \$14.88 million respectively mainly due to the adoption of SFRS(I) 16 Leases on 1 January 2019.

Trade and other payables increased by \$10.08 million from \$45.64 million as at 31 December 2018 to \$55.72 million as at 31 December 2019 mainly due to increase in advance from subsidiaries.

Included in trade and other receivables and trade and other payables of the Company as at 31 December 2019 are intercompany balances of \$64.08 million and \$53.74 million respectively (31 December 2018: \$64.74 million and \$43.44 million respectively).

8(d) Consolidated Statement of Cash Flows

Year to Date - 12 months ended 31 December 2019 vs. 12 months ended 31 December 2018

The Group registered a net increase in cash and cash equivalents of \$13.02 million for the financial year ended 31 December 2019.

Net operating cash inflow for the Group of \$18.50 million was mainly contributed by the F&B division.

Net cash inflow from investing activities of \$27.38 million was mainly due to proceeds from disposal of United States property and other non-current assets of \$24.97 million, net proceeds from disposal of financial assets of \$14.03 million, and partially offset by payments for purchases of and deposits for property, plant and equipment of \$12.68 million.

Net cash outflow from financing activities of \$32.46 million was mainly due to dividends paid to equity holders of the Company.

Fourth Quarter - 3 months ended 31 December 2019 vs. 3 months ended 31 December 2018

The Group registered a net decrease in cash and cash equivalents of \$5.46 million for the financial quarter ended 31 December 2019.

Net cash outflow from investing activities of \$4.91 million was mainly due to purchases of and deposits for property, plant and equipment of \$7.09 million and partially offset by interest received of \$1.41 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.

The outbreak of the novel coronavirus in the beginning of 2020 is expected to put our revenue and margin under pressure. On revenue, while the extent of impact from the outbreak is different for our key markets, we expect an overall weakening in consumer spending from business disruption, poor consumer sentiments and lifestyle changes. In addition to this, the Group expects the F&B margins to be under pressure from the competitive selling prices as well as fluctuation in raw material prices and business costs as supply chain and business operations are disrupted by the outbreak. Fluctuation in currencies is expected to continue and will affect the Group's results. In addition to mitigating the risks and uncertainties from the outbreak, we will continue to drive growth in our sales by rejuvenating our brand and expanding our product offerings to cater to the evolving consumer tastes and needs. On the operational front, we will continue to enhance efficiencies, mitigate risks from market fluctuations; and make improvements on a continuous basis.

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 2019, the Company has paid a dividend as stated below:

Name of Dividend	Special
Dividend type	Cash
Dividend amount	S\$0.01 per ordinary share
Tax rate	Tax-exempt (1-tier)

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

Name of Dividend	Special	Final
Dividend type	Cash	Cash
Dividend amount	S\$0.01 per ordinary share	S\$0.02 per ordinary share
Tax rate	Tax-exempt (1-tier)	Tax-exempt (1-tier)

The final and special dividends, payable in cash, are subject to shareholders' approval at the Company's forthcoming annual general meeting to be convened for the financial year ended 31 December 2019.

(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	Special	Final
Dividend type	Cash	Cash
Dividend amount	S\$0.02 per ordinary share	S\$0.02 per ordinary share
Tax rate	Tax-exempt (1-tier)	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 2019, will be made on 20 May 2020.

(d) Books closure date

Notice is hereby given that the Share Transfer Books and Register of Members of the Company will be closed on 12 May 2020 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 11 May 2020 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 11 May 2020 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 2019				
Revenue				
- External sales	364,323	26	-	364,349
- Inter-segment sales	-	5,551	(5,551)	-
	<u>364,323</u>	<u>5,577</u>	<u>(5,551)</u>	<u>364,349</u>
Profit from operation	3,107	21,529	-	24,636
Share of profit of associated companies and a joint venture	184	-	-	184
Segment profit	<u>3,291</u>	<u>21,529</u>	<u>-</u>	<u>24,820</u>
Finance expense				<u>(723)</u>
Profit before income tax				24,097
Income tax expense				<u>(6,407)</u>
Net profit attributable to equity holders of the Company				<u>17,690</u>

	Consumer food and beverage products	Others	Elimination	Group
	S\$'000	S\$'000	S\$'000	S\$'000
Year ended 31 Dec 2018				
Revenue				
- External sales	348,409	223	-	348,632
- Inter-segment sales	-	5,334	(5,334)	-
	<u>348,409</u>	<u>5,557</u>	<u>(5,334)</u>	<u>348,632</u>
Profit from operation	2,859	10,270	-	13,129
Share of profit of associated companies and a joint venture	292	-	-	292
Segment profit	<u>3,151</u>	<u>10,270</u>	<u>-</u>	<u>13,421</u>
Finance expense				<u>-</u>
Profit before income tax				13,421
Income tax expense				<u>(1,399)</u>
Net profit attributable to equity holders of the Company				<u>12,022</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 increase in revenue and segment profit of \$15.91 million and \$0.14 million respectively for consumer food and beverage products for the financial year ended 31 December 2019 was mainly due to higher sales in Singapore, Cambodia, Europe and China.

15.2 Others

The segment reported a segment profit of \$21.53 million for the financial year ended 31 December 2019 as compared to a segment profit of \$10.27 million in the last financial year. This was mainly due to higher gain on disposal of property, plant and equipment as we have rationalised our property portfolio to reduce our operating costs base.

16. A breakdown of sales

	Group		
	Latest financial year	Previous financial year	%increase/ (decrease)
	S\$'000	S\$'000	
Sales reported for first half year	186,379	183,857	1.4%
Operating profit after tax for first half year	14,591	10,103	44.4%
Sales reported for second half year	177,970	164,775	8.0%
Operating profit after tax for second half year	3,099	1,919	61.5%

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 2019	Previous Full Year 31 December 2018
	S\$'000	S\$'000
Ordinary dividend proposed/declared:		
- Special	5,799	11,598
- Final and special	17,397*	11,598
Total	23,196	23,196

* Proposed dividend for financial year ended 31 December 2019. 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

Winston Paul Wong Chi Huang
Company Secretary
27 February 2020