

YHS YEO HIAP SENG LIMITED

(Company Registration No. 195500138Z)

Unaudited Financial Statements and Dividend Announcement for the Period ended 31 March 2007

**PART I INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1,Q2 & Q3),
HALF YEAR AND FULL YEAR RESULTS**

1(a)(i) Consolidated Income Statement

	01.01.2007 to 31.03.2007	01.01.2006 to 31.03.2006 Restated*
	S\$'000	S\$'000
Revenue	114,165	103,334
Cost of sales	(80,410)	(74,318)
Gross profit	33,755	29,016
Other gains	1,938	982
Expenses		
- Advertising and promotion	(7,858)	(5,556)
- Marketing	(923)	(779)
- Selling and distribution	(16,793)	(14,399)
- Administrative	(5,529)	(5,295)
- Other operating	(577)	(546)
- Finance	(941)	(927)
Share of profit of associated companies	1,048	100
Profit before tax	4,120	2,596
Income tax expense	543	(1,159)
Total profit	4,663	1,437
Attributable to:		
Equity holders of the Company	3,863	315
Minority interest	800	1,122
	4,663	1,437

* Restatement arose mainly from reclassification of revenue and selling and distribution expenses to conform with the current period presentation.

1(a)(ii) Notes to Consolidated Profit and Loss Statement

The total profit is derived after charging/(crediting) the following:

	Group	
	01.01.2007 to 31.03.2007	01.01.2006 to 31.03.2006
	S\$'000	S\$'000
Depreciation	2,490	2,913
(Write back)/impairment of trade debts, net	(1)	214
Write-down of inventories, net	167	621
Provision for doubtful balances to associated companies, net (non-trade)	33	1
Write-back of provision for foreseeable losses from development properties	(963)	-
Dividend income from quoted equity investments	(39)	(98)
Net foreign exchange loss	571	445
Interest income	(482)	(459)
Interest expense	941	927
Over provision of tax in respect of prior year	(685)	-
Profit on sale of :		
(b) Plant and equipment	(22)	(77)
(c) Assets held for sale	-	(94)

1(b) Balance Sheets

	Group		Company	
	As at 31.03.2007	As at 31.12.2006	As at 31.03.2007	As at 31.12.2006
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	99,171	82,103	337	216
Trade receivables	118,269	116,221	-	-
Inventories	50,116	57,623	-	-
Amounts due from subsidiaries (non-trade)	-	-	17,133	19,631
Amounts due from a related company (non-trade)	38	38	38	38
Development properties	145,040	160,591	-	-
Income tax recoverable	1,409	1,745	-	-
Other current assets	4,809	5,627	87	95
	418,852	423,948	17,595	19,980
Assets held for sale	449	444	-	-
	419,301	424,392	17,595	19,980
Non-current assets				
Available-for-sale financial assets	26,449	23,690	23,259	20,442
Investments in associated companies	5,752	4,656	-	-
Investments in subsidiaries	-	-	362,936	362,936
Investment properties	41,564	18,422	34,000	-
Loans to subsidiaries	-	-	70,566	71,136
Property, plant and equipment	131,641	137,492	10	38,823
Goodwill	5,361	5,361	-	-
Deferred income tax assets	2,099	2,257	-	-
	212,866	191,878	490,771	493,337
Total assets	632,167	616,270	508,366	513,317
LIABILITIES				
Current liabilities				
Trade and other payables	90,688	104,133	1,536	1,402
Amounts due to subsidiaries (non-trade)	-	-	245,240	244,634
Loan from an associated company	1,155	1,155	1,155	1,155
Current income tax liabilities	5,096	5,386	146	580
Borrowings	28,868	22,403	-	-
Provisions	977	987	30	40
	126,784	134,064	248,107	247,811
Non-current liabilities				
Loans from subsidiaries	-	-	49,583	50,439
Borrowings	51,009	51,010	-	-
Provisions for retirement benefits	2,699	2,646	-	-
Deferred income tax liabilities	10,763	9,259	745	745
Other non-current liabilities	1,405	1,588	-	-
	65,876	64,503	50,328	51,184
Total liabilities	192,660	198,567	298,435	298,995
NET ASSETS	439,507	417,703	209,931	214,322
EQUITY				
Capital and reserves attributable to Company's equity holders				
Share capital	209,468	209,468	209,468	209,468
Capital reserve	10,145	10,145	-	-
Revaluation and other reserves	56,239	57,820	4,856	4,987
Retained earnings/(accumulated losses)	102,644	81,809	(4,393)	(133)
	378,496	359,242	209,931	214,322
Minority Interest	61,011	58,461	-	-
Total equity	439,507	417,703	209,931	214,322

Notes

- (a) In 2001, the Group paid income tax of \$6,825,000 in relation to The Sterling development project. The tax paid was based on the revalued amount of land when the developer's licence was obtained in April 1997 and excluded any tax effect on the revaluation surplus amounting to \$128,800,000 on the land prior to April 1997. Under the advice of tax counsel, the directors are of the opinion that the revaluation surplus of \$128,800,000 is capital accretion and therefore should not be subject to income tax. On the same basis, the directors are of the opinion that the revaluation surplus of the land for the Gardenvista development project prior to obtaining the developer's licence in October 2002 and the freehold land at Dunearn Road amounting to \$86,547,000 are also capital accretion.

In 2004, the Inland Revenue of Singapore (IRAS) had expressed its view that some of the revaluation surpluses for the development projects may not be considered capital accretion. In February 2006, IRAS had reiterated its view that part of the revaluation surplus of \$128,800,000 on the land for The Sterling development project would not be considered capital accretion and requested for information in order to bring its assessments up to date. The Group had, on 9 June 2006 through its legal counsel, made legal submissions to IRAS. The directors maintain their view that the revaluation surpluses of \$128,800,000 and \$86,547,000 are capital accretion and would pursue the matter with IRAS.

As the ultimate outcome of the matter cannot be presently determined, no income tax liability on the revaluation surpluses of \$128,800,000 and \$86,547,000 has been provided for in the financial statements for the period ended 31 March 2007.

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

Amount repayable in one year or less, or on demand

As at 31.03.2007		As at 31.12.2006	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
10,468	18,400	10,503	11,900

Amount repayable after one year

As at 31.03.2007		As at 31.12.2006	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
51,009	-	51,010	-

Details of any collateral

Short-term bank loans of the Group totalling \$10,461,000 are secured by a corporate guarantee given by the Company and a first mortgage over the leasehold property of a subsidiary. The non-current bank loans are secured by a first mortgage over the residential freehold development property of a subsidiary.

Certain property, plant and equipment were purchased under finance lease agreements. The net book value of these assets acquired amounted to \$16,000 (2006: \$17,000).

1(c) Consolidated Cash Flow Statement

	3 months ended	
	31.03.2007	31.03.2006
	S\$'000	S\$'000
Cash flows from operating activities		
Total profit	4,663	1,437
Adjustments for :		
Tax	(543)	1,159
Depreciation of property, plant and equipment	2,490	2,913
Dividend income from quoted equity investments	(39)	(98)
Property, plant and equipment written-off	4	2
Exchange difference on consolidation	449	(895)
Gain on disposal of plant and equipment	(22)	(77)
Gain on disposal of assets held for sale	-	(94)
Interest expense	941	927
Interest income	(482)	(459)
Provision for retirement benefits (net)	84	94
Share of profit of associated companies	(1,048)	(100)
Operating cash flow before working capital change	6,497	4,809
Change in operating assets and liabilities		
Development property	15,551	8,969
Inventories	7,507	6,802
Receivables	(2,048)	(3,464)
Other current assets	818	(101)
Trade and other payables	(13,579)	(4,071)
Due from associated companies (net)	-	(10)
Cash generated from operations	14,746	12,934
Income tax (refund)/paid	36	(463)
Restructuring costs paid	(10)	-
Retirement benefits paid	(58)	(19)
Net cash provided by operating activities	14,714	12,452

	3 months ended	
	31.03.2007	31.03.2006
	S\$'000	S\$'000
Cash flows from investing activities		
Dividends received from quoted equity investments	39	98
Proceeds from sales of plant and equipment	98	138
Proceeds from sales of assets held for sale	-	746
Proceeds from redemption of unquoted equity investments	-	148
Dividend income received from associated company	-	245
Purchase of property, plant and equipment	(791)	(1,528)
Purchase of quoted equity investments	(2,945)	-
Purchase of unquoted investments	(4)	(4)
Net cash used in investing activities	(3,603)	(157)
Cash flows from financing activities		
Purchase of treasury shares	(216)	-
Interest received	482	459
Interest paid	(807)	(887)
Repayment of bank loans	-	(4,000)
Bank borrowings	6,500	-
Payment of finance lease liabilities	(2)	(2)
Net cash provided/(used) in financing activities	5,957	(4,430)
Net increase in cash and cash equivalents	17,068	7,865
Cash and cash equivalents at the beginning of the financial period	82,103	73,372
Cash and cash equivalents at the end of the financial period	99,171	81,237
Represented by:		
Cash at bank and on hand	27,395	25,380
Fixed deposits with financial institutions	71,776	55,857
	99,171	81,237

Notes

Included in fixed deposits and cash at bank and on hand of the Group are amounts totalling \$32,949,000 (2006: \$19,850,000) held under the Housing Developers (Project Account) (Amendment) Rules 1997 and the Housing Developers (Project Account) Rules (1990 Ed), withdrawals from which must be in accordance with the said Rules.

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

For the financial period ended 31 March 2007

	Total share capital	Capital reserve	Property revaluation reserve	Fair value reserve	Foreign currency translation reserve	General reserve	Retained earnings	Minority interest	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2007	209,468	10,145	98,904	5,547	(48,405)	1,774	81,809	58,461	417,703
- As previously reported	-	-	(3,412)	-	-	-	9,657	1,307	7,552
- Effect of changes in accounting policies (Adjusted prospectively)	209,468	10,145	95,492	5,547	(48,405)	1,774	91,466	59,768	425,255
- As restated*	-	-	-	(188)	-	-	-	(36)	(224)
Fair value loss on available-for-sale investments	-	-	8,421	-	-	-	-	-	8,421
Revaluation gain on property, plant and equipment	-	-	-	-	965	-	-	643	1,608
Currency translation differences	-	-	8,421	(188)	965	-	-	607	9,805
Net gain recognised directly in equity	-	-	-	-	-	-	-	800	4,663
Profit for the period	-	-	-	-	-	-	3,863	-	-
Total recognised gains/(loss) for the period ended 31 March 2007	-	-	8,421	(188)	965	-	3,863	1,407	14,468
Effect of treasury shares in a subsidiary acquired from minority interest	-	-	-	-	-	(52)	-	(164)	(216)
Transfer from reserve on realisation	-	-	(7,315)	-	-	-	7,315	-	-
Balance at 31 March 2007	209,468	10,145	96,598	5,359	(47,440)	1,722	102,644	61,011	439,507

* Please refer to Note 5. Restatement arose from adoption of accounting standard FRS 40

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

For the financial period ended 31 March 2006

	Total share capital	Capital reserve	Property revaluation reserve	Fair value reserve	Foreign currency translation reserve	General reserve	Retained earnings	Minority interest	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2006	209,468	10,145	139,590	2,904	(43,164)	1,632	38,906	58,571	418,052
Fair value gain on available-for-sale investments	-	-	-	1,583	-	-	-	-	1,583
Currency translation differences	-	-	-	-	(2,567)	-	-	(193)	(2,760)
Net loss recognised directly in equity	-	-	-	1,583	(2,567)	-	-	(193)	(1,177)
Profit for the period	-	-	-	-	-	-	315	1,122	1,437
Total recognised gains/(loss) for the period ended 31 March 2006	-	-	-	1,583	(2,567)	-	315	929	260
Transfer from reserve on realisation	-	-	(5,661)	-	-	-	5,661	-	-
Balance at 31 March 2006	209,468	10,145	133,929	4,487	(45,731)	1,632	44,882	59,500	418,312

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

For the financial period ended 31 March 2007

	Share capital \$'000	Fair value reserve \$'000	Accumulated losses \$'000	Total \$'000
Balance at 1 January 2007				
- As previously reported	209,468	4,987	(133)	214,322
- Effect of changes in accounting policies (Adjusted prospectively)	-	-	(4,810)	(4,810)
- As restated*	209,468	4,987	(4,943)	209,512
Fair value loss on available-for-sale investments	-	(131)	-	(131)
Net loss recognised directly in equity	-	(131)	-	(131)
Net profit for the period	-	-	550	550
Balance at 31 March 2007	209,468	4,856	(4,393)	209,931

* Please refer to Note 5. Restatement arose from adoption of accounting standard FRS 40

For the financial period ended 31 March 2006

	Share capital \$'000	Fair value reserve \$'000	Accumulated losses \$'000	Total \$'000
Balance at 1 January 2006	209,468	2,904	(4,071)	208,301
Fair value gain on available-for-sale investments	-	1,216	-	1,216
Net gain recognised directly in equity	-	1,216	-	1,216
Net profit for the period	-	-	317	317
Balance at 31 March 2006	209,468	4,120	(3,754)	209,834

- 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 period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

There were no changes in the Company's share capital during the current financial period reported on.

- 2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed.

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

Not applicable.

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group has adopted the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the audited financial statements for the year ended 31 December 2006 except for the adoption of new Financial Reporting Standards disclosed in paragraph 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.**

Changes in accounting policies

Previously, investment properties held for long-term rental yields and capital appreciation and are not occupied by the Group are stated at cost less any accumulated depreciation up to the date of transfer from property, plant and equipment, and impairment losses. On reclassification, investment properties were not subject to depreciation.

With effect from 1 January 2007, the Group adopted the fair value model under FRS 40 Investment Property. Fair value is assessed at each reporting date. Gain or loss arising from changes in the fair values of investment properties are recognised in the income statement in which they arise.

The Group and the Company adopted the Financial Reporting Standard FRS 40 where changes in accounting policy are applied prospectively. Comparatives have not been restated. The effect of change in Group's and Company's accounting policies is described in Note 5.1.

5.1 Effect of changes to the financial statements

Group

	Increase/(decrease)
	FRS 40 S\$'000
<i>Consolidated balance sheets items at 01 January 2007</i>	
Investment properties	6,713
Deferred income tax liability	(822)
Property revaluation reserves	(3,412)
Retaining earnings	9,657
Minority interests	1,307

Company

	Increase/(decrease)
	FRS 40 S\$'000
<i>Balance sheets items at 01 January 2007</i>	
Investment properties	34,000
Property plant and equipment	(38,810)
Retaining earnings	(4,810)

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group	
	3 months	
	01.01.2007 To 31.03.2007	01.01.2006 To 31.03.2006
	Cents	Cents
Earnings per ordinary share for the period based on net profit/ (loss) attributable to equity holders of the Company during the period:-		
(a) Based on weighted average number of ordinary share in issue	0.68	0.06
(b) On a fully diluted basis	0.68	0.06
Weighted average number of ordinary shares in issue for basic earnings per share ('000)	569,876	569,876
Weighted average number of ordinary shares in issue for diluted earnings per share ('000)	570,349	570,317

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:-

- (a) current financial period reported on; and
 (b) immediately preceding financial year.

	Group		Company	
	31.03.2007 Cents	31.12.2006 Cents	31.03.2007 Cents	31.12.2006 Cents
Net asset value per ordinary share based on issued share capital as at the end of the reporting period	66.42	63.04	36.84	37.61

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-
- a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
 - b) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.

8(a) Year to Date Results - 3 Months ended 31 March 2007 vs. 3 Months ended 31 March 2006

Revenue and Operating Costs

The Group recorded revenue of \$114.17 million in 1Q2007, which was 10.5% higher than that achieved in 1Q2006 of \$103.33 million. The increase was due to improved sales from food and beverage division, especially from its Singapore and Malaysia operations and higher property sales. Gross profit for the Group improved from \$29.02 million to \$33.76 million, which was generally in line with higher sales revenue.

Profit attributable to equity holders of the Company was increased from \$0.32 million in 1Q2006 to \$3.86 million in 1Q2007. The improvement was mainly due to:

- Higher other gains of \$0.96 million due mainly to the write back of provision of \$0.96 million for foreseeable losses for development properties sold in 1Q2007;
- Higher share of profit of \$0.95 million from associated companies attributable mainly to the profit earned on sale of land and building by the associated company in Malaysia;
- Lower provision for income tax of \$1.7 million due mainly to the adjustment for over provision of prior year tax of \$0.69 million and lower tax expenses of \$0.98 million in Malaysia.

8(b) Balance Sheet- 31 March 2007 vs. 31 December 2007

Group

Trade receivables for the Group increased by \$2.05 million from \$116.22 million as at 31 December 2006 to \$118.27 million as at 31 March 2007. The increase was largely in line with higher food and beverage sales and additional sales of development properties in 1Q2007, partially offset by improved collection from the food and beverage division.

Inventories were reduced to \$50.12 million at 31 March 2007 as compared to \$57.62 million at 31 December 2006 due mainly to sale of Chinese New Year stocks built up in December 2006 for the festive season.

Development property balance decreased by \$15.55 million from \$160.59 million as at 31 December 2006 to \$145.04 million as at 31 March 2007, due to additional sale of development properties in 1Q2007.

Available-for-sale financial assets increased by \$2.76 million from \$23.69 million as at 31 December 2006 to \$26.45 million as at 31 March 2007. The increase was due to \$2.94 million investment in the common stock of Youcan Foods International Limited by the Company, partially offset by \$0.22 million loss on revaluation of quoted investments at their fair value.

Property, plant and equipment decreased by \$5.85 million from \$137.49 million as at 31 December 2006 to \$131.64 million as at 31 March 2007, largely due to the reclassification of certain properties totalling \$7.5 million to investment properties, partially offset by fair value gain of \$2.6 million on revaluation of certain assets.

Investment properties increased by \$23.14 million from \$18.42 million as at 31 December 2006 to \$41.56 million as at 31 March 2007, due mainly to \$15.6 million gain on revaluation of investment properties at their fair value and reclassification of certain properties totalling \$7.5 million from property, plant and equipment as a result of adoption of FRS 40 in 2007.

Trade and other payables decreased by \$13.44 million from \$104.13 million as at 31 December 2006 to \$90.69 million as at 31 March 2007. The decrease was in line with lower purchase in the current period and accruals of sales rebates and freight charges. In addition, settlement of purchase of certain assets under deferred payment scheme and decrease in accrual of development property costs also contributed to the decrease in other payables.

Short-term bank borrowings increased by \$6.47 million as at 31 March 2007 due to additional drawdown on bank loan facility to finance investment and working capital.

Company

Amount due from subsidiaries decreased by \$2.5 million from \$19.63 million as at 31 December 2006 to \$17.13 million as at 31 March 2007 due mainly to the repayment of \$2.41 million advance from a subsidiary in Singapore.

Available-for-sale financial assets increased by \$2.82 million from \$20.44 million as at 31 December 2006 to \$23.26 million as at 31 March 2007 was due to \$2.94 million investment in the common stock of Youcan Foods International Limited by the Company, partially offset by \$0.13 million loss on revaluation of quoted investments at their fair value.

Property, plant and equipment decreased by \$38.81 million from \$38.82 million as at 31 December 2006 to \$0.01 million as at 31 March 2007, due mainly to the impairment of \$4.81 million on revaluation of leasehold building at its fair value and reclassification of leasehold building of \$34 million to investment properties in accordance with FRS 40 Investment Property.

8(c) Cash Flow Statement

3 months ended 31 March 2007 vs. 3 months ended 31 March 2006

The Group reported a net increase in cash of \$17.07 million for the 3 months ended 31 March 2007, as compared to a net increase in cash of \$7.87 million for the previous corresponding quarter.

The net increase in cash was contributed by \$14.71 million from operating activities and \$5.96 million from financial activities, negated by the net cash outflow from investing activities amounting to \$3.6 million.

Cash outflow from investing activities of \$3.6 million was due to purchase of property, plant & equipment worth \$0.79 million and investment in quoted equity investments of \$2.94 million, partially offset by the proceeds from disposal of assets and dividend received from quoted investment.

Cash inflow from financing activities of \$5.96 million was due to additional bank borrowing of \$6.5 million, offset by purchase of treasury shares of \$0.22 million and net interest paid of \$0.33 million.

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

The current announced results are in line with the prospect statement disclosed previously.

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 period and the next 12 months.

The Group will continue to grow its revenue by expanding into new geographic territories as well as enlarging its portfolio of products. The Group expects its year 2007 earnings for the Food and Beverages division to remain satisfactory in spite of expected increase in raw material costs.

For the Property division, the Group will continue to drive sales of its existing developments and will target to launch its new development property known as Jardin in 2007.

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. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None

(b) Corresponding Period of the Immediately Preceding Financial Year

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

None

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend is recommended for the financial period reported on.

BY ORDER OF THE BOARD

Lim Swee Lee Joanne
Company Secretary
11 May 2007

STATEMENT PURSUANT TO RULE 705(4) OF THE LISTING MANUAL

The directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited financial statements for the period ended 31 March 2007 to be false or misleading in any material respect.

On behalf of the Directors



TJONG YIK MIN
Director

11 May 2007



OW TIN NYAP
Director