

YHS YEO HIAP SENG LIMITED

(Company Registration No. 195500138Z)

Unaudited Financial Statements and Dividend Announcement for the period ended 31 March 2008

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

1(a)(i) Consolidated Income Statement

	3 Months	
	01.01.2008 to 31.03.2008	01.01.2007 to 31.03.2007
	S\$'000	S\$'000
Revenue	106,173	114,165
Cost of sales	(73,924)	(80,410)
Gross profit	32,249	33,755
Other income	708	723
Other gains	273	1,215
Expenses		
- Advertising and promotion	(8,239)	(7,858)
- Marketing	(553)	(923)
- Selling and distribution	(17,128)	(16,793)
- Administrative	(6,223)	(5,529)
- Other operating	(1,915)	(577)
- Finance	(556)	(941)
Share of profit of associated companies	51	1,048
(Loss)/profit before tax	(1,333)	4,120
Income tax credit	11,098	543
Total profit	9,765	4,663
Attributable to:		
Equity holders of the Company	9,499	3,863
Minority interest	266	800
	9,765	4,663

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

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

	3 Months	
	01.01.2008 to 31.03.2008	01.01.2007 to 31.03.2007
	S\$'000	S\$'000
Depreciation	2,477	2,490
Property, plant and equipment written-off	17	4
Impairment/(write back) of trade debts, net	102	(1)
Write-down of inventories, net	696	167
Provision for doubtful balances to associated companies, net (non-trade)	-	1
Reversal of provision for foreseeable losses from development properties	-	(963)
Dividend income from quoted equity investments	(40)	(39)
Net foreign exchange loss	830	571
Interest income	(240)	(482)
Interest expense	556	941
Over provision of tax in respect of prior years	(11,694)	(685)
Profit on sale of :		
(a) Plant and equipment	(1)	(22)
(b) Assets held for sale	(78)	-

1(b) Balance Sheets

	Group		Company	
	As at 31.03.2008	As at 31.12.2007	As at 31.03.2008	As at 31.12.2007
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	86,584	84,306	584	725
Trade and other receivables	92,576	94,652	24,859	27,309
Inventories	39,115	53,335	-	-
Development properties	126,682	127,372	-	-
Income tax recoverable	1,780	1,254	952	37
Other current assets	1,646	1,633	60	72
	348,383	362,552	26,455	28,143
Assets held for sale	-	369	-	-
	348,383	362,921	26,455	28,143
Non-current assets				
Available-for-sale financial assets	83,734	99,543	30,676	36,683
Investments in associated companies	4,373	4,280	-	-
Investments in subsidiaries	-	-	400,857	400,857
Investment properties	52,881	54,325	34,000	34,000
Loans to subsidiaries	-	-	39,209	40,575
Property, plant and equipment	121,775	123,865	8	10
Goodwill	5,361	5,361	-	-
Deferred income tax assets	4,359	4,839	-	-
	272,483	292,213	504,750	512,125
Total assets	620,866	655,134	531,205	540,268
LIABILITIES				
Current liabilities				
Trade and other payables	89,419	94,635	272,428	273,762
Current income tax liabilities	17,783	30,133	-	-
Borrowings	57,661	56,606	39,000	39,000
Provisions	977	977	30	30
	165,840	182,351	311,458	312,792
Non-current liabilities				
Loans from subsidiaries	-	-	45,254	47,271
Borrowings	10,002	18,003	-	-
Provisions for retirement benefits	2,501	2,484	-	-
Deferred income tax liabilities	10,853	12,423	1,009	1,935
Other non-current liabilities	36	3	-	-
	23,392	32,913	46,263	49,206
Total liabilities	189,232	215,264	357,721	361,998
NET ASSETS	431,634	439,870	173,484	178,270
EQUITY				
Capital and reserves attributable to Company's equity holders				
Share capital	218,568	218,568	218,568	218,568
Capital reserve	10,145	10,145	-	-
Revaluation and other reserves	22,380	40,040	7,083	12,338
Retained earnings/(accumulated losses)	123,964	113,929	(52,167)	(52,636)
	375,057	382,682	173,484	178,270
Minority interest	56,577	57,188	-	-
Total equity	431,634	439,870	173,484	178,270

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

Amount repayable in one year or less, or on demand

As at 31.03.2008		As at 31.12.2007	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
10,101	47,560	15,246	41,360

Amount repayable after one year

As at 31.03.2008		As at 31.12.2007	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
10,002	-	18,003	-

Details of any collateral

Short-term bank loans of the Group totalling \$10,095,000 are secured by a corporate guarantee given by the Company and a first mortgage over the leasehold property of a subsidiary. Short-term bank loans totalling \$15,239,000 in the prior year is secured by a corporate guarantee given by the Company and a first mortgage over the leasehold property of a subsidiary and investment in available-for-sale financial assets. 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 \$8,000 (2007: \$10,000).

1(c) Consolidated Cash Flow Statement

	3 months ended	
	31.03.2008	31.03.2007
	S\$'000	S\$'000
Cash flows from operating activities		
Total profit	9,765	4,663
Adjustments for :		
Income tax	(11,098)	(543)
Depreciation of property, plant and equipment	2,477	2,490
Dividend income from available-for-sale financial assets	(40)	(39)
Property, plant and equipment written-off	17	4
Exchange difference on consolidation	(1,528)	449
Gain on disposal of plant and equipment	(1)	(22)
Gain on disposal of assets held for sale	(78)	-
Interest expense	556	941
Interest income	(240)	(482)
Provision for retirement benefits (net)	73	84
Share of profit of associated companies	(51)	(1,048)
Operating cash flow before working capital change	(148)	6,497
Change in operating assets and liabilities		
Development property	690	15,551
Inventories	14,220	7,507
Receivables	2,076	(2,048)
Other current assets	(13)	818
Trade and other payables	(5,279)	(13,579)
Cash generated from operations	11,546	14,746
Income tax paid/(recovered)	(1,484)	36
Restructuring costs paid	-	(10)
Retirement benefits paid	(32)	(58)
Net cash provided by operating activities	10,030	14,714

	3 months ended	
	31.03.2008	31.03.2007
	S\$'000	S\$'000
Cash flows from investing activities		
Dividends received from available-for-sale financial assets	40	39
Purchase of minority interest share in a subsidiary	(235)	-
Proceeds from disposal of property, plant and equipment	1	98
Proceeds from disposal of assets held for sale	447	-
Purchase of property, plant and equipment	(809)	(791)
Purchase of available-for-sale financial assets	(174)	(2,949)
Net cash used in investing activities	(730)	(3,603)
Cash flows from financing activities		
Purchase of treasury shares	-	(216)
Interest received	240	482
Interest paid	(460)	(807)
Repayment of bank borrowings	(16,000)	-
Proceeds from bank borrowings	9,200	6,500
Repayment of finance lease liabilities	(2)	(2)
Net cash (used in)/provided by financing activities	(7,022)	5,957
Net increase in cash and cash equivalents	2,278	17,068
Cash and cash equivalents at the beginning of the financial period	84,306	82,103
Cash and cash equivalents at the end of the financial period	86,584	99,171
Represented by:		
Cash at bank and on hand	33,186	27,395
Fixed deposits with financial institutions	53,398	71,776
	86,584	99,171

Notes

Included in fixed deposits and cash at bank and on hand of the Group are amounts totalling \$27,749,000 (2007: \$28,908,000) 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 year ended 31 March 2008

	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 2008	218,568	10,145	88,465	(1,460)	(48,203)	1,238	113,929	57,188	439,870
Fair value loss on available-for-sale investments	-	-	-	(14,719)	-	-	-	(226)	(14,945)
Currency translation differences	-	-	-	-	(2,287)	-	-	(534)	(2,821)
Net loss recognised directly in equity	-	-	-	(14,719)	(2,287)	-	-	(760)	(17,766)
Profit for the period	-	-	-	-	-	-	9,499	266	9,765
Total recognised (losses)/profit for the period ended 31 March 2008	-	-	-	(14,719)	(2,287)	-	9,499	(494)	(8,001)
Effect of acquisition of minority interest shares in a subsidiary	-	-	-	-	-	(118)	-	(117)	(235)
Transfer from reserve on realisation	-	-	(536)	-	-	-	536	-	-
Balance at 31 March 2008	218,568	10,145	87,929	(16,179)	(50,490)	1,120	123,964	56,577	431,634

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

For the financial year 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	95,492	5,547	(48,405)	1,774	91,466	59,768	425,255
Fair value loss on available-for-sale investments	-	-	-	(188)	-	-	-	(36)	(224)
Revaluation gain on property, plant and equipment	-	-	8,421	-	-	-	-	-	8,421
Currency translation differences	-	-	-	-	965	-	-	643	1,608
Net gain recognised directly in equity	-	-	8,421	(188)	965	-	-	607	9,805
Profit for the period	-	-	-	-	-	-	3,863	800	4,663
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

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

For the financial year ended 31 March 2008

	Share capital	Fair value reserve	Accumulated losses	Total
	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2008	218,568	12,338	(52,636)	178,270
Fair value loss on available-for-sale investments	-	(5,255)	-	(5,255)
Net loss recognised directly in equity	-	(5,255)	-	(5,255)
Net profit for the period	-	-	469	469
Balance at 31 March 2008	218,568	7,083	(52,167)	173,484

For the financial year ended 31 March 2007

	Share capital	Fair value reserve	Accumulated losses	Total
	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2007	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

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.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at end of the current financial period and as at end of the immediately preceding year:-

	31.03.2008	31.12.2007
Number of issued shares excluding treasury shares ('000)	573,920	573,920

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

There were no sales, transfers, disposal, cancellation and/or use of treasury shares as at 31 March 2008 (31 December 2007: Nil).

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 2007.

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

	Group	
	3 months	
	01.01.2008 To 31.03.2008	01.01.2007 To 31.03.2007
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 share in issue (cents)	1.66	0.68
(b) On a fully diluted basis (cents)	1.65	0.68
Weighted average number of ordinary shares in issue for basic earnings per share ('000)	573,920	569,876
Weighted average number of ordinary shares in issue for diluted earnings per share ('000)	576,404	570,349

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

	Group		Company	
	31.03.2008 Cents	31.12.2007 Cents	31.03.2008 Cents	31.12.2007 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	65.35	66.68	30.23	31.06

* The Company does not have any treasury shares.

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 2008 vs. 3 Months ended 31 March 2007

Revenue and Operating Costs

The Group recorded revenue of \$106.17 million in 1Q2008, which was 7% lower than that achieved in 1Q2007 of \$114.17 million. Food and beverage sales increased by \$8.83 million or 9.3%, while revenue from development property decreased by \$16.83 million or 87.2%.

Total profit of the Group increased from \$4.66 million in 1Q2007 to \$9.77 million in 1Q2008 mainly due to higher tax credit of \$10.56 million as a result of \$11.83 million write back of over provision of prior year tax from the property division, arising from the settlement of its tax issue on revaluation surplus on land with IRAS, partially offset by the following:

- Lower gross profit of \$1.51 million due to lower property sales;
- Higher administrative expense of \$0.69 million due mainly to the absence of reversal of over provision of bonus in Malaysia and higher provision of travelling and professional fees in the Company;
- Lower other gains of \$0.94 million due mainly to the absence of write back of provision of \$0.96 million for foreseeable losses for development properties sold in 1Q2007;
- Higher other operating expense of \$1.34 million due mainly to accrual for additional payment for land use rights payable to the land authority in China;
- Lower share of profit of \$1 million from associated companies due mainly to the absence of profit earned on sale of land and building by the associated company in Malaysia.

8(b) Balance Sheet - 31 March 2008 vs. 31 December 2007

Group

Trade and other receivables for the Group decreased by \$2.07 million from \$94.65 million as at 31 December 2007 to \$92.58 million as at 31 March 2008. The decrease was mainly due to lower property sales and collection of sales proceeds for property sold in 2007, partially offset by the increased trade receivables in Malaysia which was largely in line with the higher sales.

Inventories were reduced to \$39.12 million at 31 March 2008 as compared to \$53.34 million at 31 December 2007 due mainly to sale of Chinese New Year stocks built up in December 2007 for the festive season.

Assets held for sale amounting to \$0.37 million was disposed off in 1Q08 reducing the asset balance to Nil as at 31 March 2008.

Available-for-sale financial assets decreased by \$15.81 million from \$99.54 million as at 31 December 2007 to \$83.73 million as at 31 March 2008 due mainly to \$15.87 million loss on revaluation of quoted investments at their fair value at balance sheet date.

Property, plant and equipment decreased by \$2.09 million from \$123.87 million as at 31 December 2007 to \$121.78 million as at 31 March 2008, largely due to the depreciation charges of \$2.48 million during the current period, partially offset by the addition of \$0.81 million equipment.

Trade and other payables decreased by \$5.22 million from \$94.64 million as at 31 December 2007 to \$89.42 million as at 31 March 2008. The decrease was mainly due to lower purchases and expense accruals in Malaysia as a result of lower production activities, as well as payment of accruals for promotion expenses.

Bank borrowings decreased by \$6.95 million as at 31 March 2008 due to the repayment of long term property loan of \$8 million, partially offset by additional net bank borrowings of \$1.2 million.

Company

Trade and other receivables decreased by \$2.45 million from \$27.31 million as at 31 December 2007 to \$24.86 million as at 31 March 2008, due mainly to repayment of \$2.88 million by a subsidiary in 1Q08. The funds were used to partially repay the advances from another subsidiary. Hence trade and other payables decreased by \$1.33 million from \$273.76 million as at 31 December 2007 to \$272.43 million as at 31 March 2008.

Available-for-sale financial assets decreased by \$6 million from \$36.68 million as at 31 December 2007 to \$30.68 million as at 31 March 2008, largely due to \$6.18 million loss on revaluation of quoted investments at their fair value.

Loans from subsidiaries decreased by \$2.02 million from \$47.27 million as at 31 December 2007 to \$45.25 million as at 31 March 2008 due to unrealised exchange gains from the Company's Hong Kong dollar loans as a result of the weakening of the Hong Kong dollar against Singapore dollar.

Deferred income tax liabilities decreased by \$0.94 million from 1.94 million as at 31 December 2007 to \$1 million as at 31 March 2008 due to write back of provision as fair value of quoted investment reduced at balance sheet date.

8(c) Cash Flow Statement

3 months ended 31 March 2008 vs. 3 months ended 31 March 2007

The Group reported a net increase in cash of \$2.28 million for the 3 months ended 31 March 2008 as compared to a net increase in cash of \$17.07 million for the previous corresponding quarter.

The net increase in cash was contributed by \$10.03 million from operating activities in food and beverage division, negated by the net cash outflow from investing activities amounting to \$0.73 million and \$7.02 million from financing activities.

Cash outflow from investing activities of \$0.73 million was mainly due to purchase of property, plant & equipment worth \$0.81 million and purchase of minority interest share in a subsidiary of \$0.24 million, partially offset by the proceeds from disposal of assets held for sale.

Cash outflow from financing activities of \$7.02 million was mainly due to net bank repayment of \$6.8 million and net interest paid of \$0.22 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 period and the next 12 months.**

Increasing raw material prices and energy costs, coupled with continued pressure on selling price due to intense competition will put pressure on the Group's earnings for the Food and Beverage division.

For the Property division, the Group will continue to drive sales of its properties including the newly launched development property, Jardin which is expected to commence construction in second quarter of 2008.

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
09 May 2008

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 2008 to be false or misleading in any material respect.

On behalf of the Directors



TJONG YIK MIN
Director

09 May 2008



OW TIN NYAP
Director