

Unaudited Financial Statements and Dividend Announcement for the period ended 30 June 2009

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

| | 6 Months | | 3 Months | |
|---|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | 01.01.2009 to 30.06.2009 | 01.01.2008 to 30.06.2008 | 01.04.2009 to 30.06.2009 | 01.04.2008 to 30.06.2008 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Revenue | 205,845 | 209,606 | 110,007 | 103,433 |
| Cost of sales | (142,534) | (144,828) | (75,819) | (70,904) |
| Gross profit | 63,311 | 64,778 | 34,188 | 32,529 |
| Other income | 1,165 | 1,478 | 529 | 770 |
| Other (losses)/gains - net | (31,904) | (1,489) | (32,267) | 153 |
| Expenses | | | | |
| - Advertising and promotion | (12,766) | (15,426) | (5,901) | (7,187) |
| - Marketing | (1,272) | (1,135) | (623) | (582) |
| - Selling and distribution | (30,321) | (34,972) | (15,240) | (17,844) |
| - Administrative | (11,872) | (17,554) | (5,861) | (11,331) |
| - Finance | (704) | (1,026) | (355) | (470) |
| Share of profits of associated companies | 812 | 113 | 680 | 62 |
| Loss before income tax | (23,551) | (5,233) | (24,850) | (3,900) |
| Income tax (expense)/credit | (2,054) | 10,675 | (1,734) | (423) |
| Net (loss)/profit for the period | (25,605) | 5,442 | (26,584) | (4,323) |
| Other comprehensive income/(losses), after tax: | | | | |
| - Fair value gain/(loss) on available-for-sale financial assets | 37,174 | (9,577) | 42,914 | 5,368 |
| - Currency translation differences | (779) | (8,509) | (4,181) | (5,688) |
| - Revaluation gain transferred from property revaluation reserve to retained earnings | (3,451) | (1,114) | (2,577) | (578) |
| - Revaluation gain from property revaluation reserve realised in retained earnings | 3,451 | 1,114 | 2,577 | 578 |
| Other comprehensive income/(losses) for the period, net of tax | 36,395 | (18,086) | 38,733 | (320) |
| Total comprehensive income/(loss) for the period | 10,790 | (12,644) | 12,149 | (4,643) |
| Net (loss)/profit attributable to: | | | | |
| Owners of the parent | (25,250) | 5,133 | (26,835) | (4,366) |
| Minority interests | (355) | 309 | 251 | 43 |
| | (25,605) | 5,442 | (26,584) | (4,323) |
| Total comprehensive income/(loss) attributable to: | | | | |
| Owners of the parent | 11,788 | (9,707) | 12,181 | (2,200) |
| Minority interests | (998) | (2,937) | (32) | (2,443) |
| | 10,790 | (12,644) | 12,149 | (4,643) |

1(a)(ii) Notes to Consolidated Statement of Comprehensive Income

Net profit for the period is derived after charging/(crediting) the following:

| | 6 Months | | 3 Months | |
|---|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | 01.01.2009 to 30.06.2009 | 01.01.2008 to 30.06.2008 | 01.04.2009 to 30.06.2009 | 01.04.2008 to 30.06.2008 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| <u>Revenue</u> | | | | |
| Dividend income from available-for-sale financial assets | (782) | (897) | (742) | (857) |
| <u>Cost of sales</u> | | | | |
| Depreciation | 2,513 | 2,282 | 1,257 | 1,122 |
| Write down of inventories, net | 733 | 1,462 | 525 | 766 |
| <u>Marketing expense</u> | | | | |
| Depreciation | 14 | 17 | 7 | 8 |
| <u>Selling and distribution expense</u> | | | | |
| Depreciation | 1,269 | 1,407 | 618 | 704 |
| Impairment of trade debts, net | 180 | 226 | 65 | 124 |
| <u>Administrative expense</u> | | | | |
| Impairment of goodwill | - | 5,361 | - | 5,361 |
| Depreciation | 1,687 | 1,257 | 838 | 652 |
| <u>Other losses/(gains) - net</u> | | | | |
| Property, plant and equipment written-off | 84 | 28 | 31 | 11 |
| Impairment loss on available-for-sale financial assets | 35,263 | - | 33,678 | - |
| Allowance for impairment in associated company | - | 47 | - | 47 |
| Net foreign exchange (gain)/loss | (167) | 887 | 948 | 57 |
| Loss/(gain) on sale of : | | | | |
| (a) Plant and equipment | 5 | (20) | - | (19) |
| (b) Assets held for sale | - | (78) | - | - |
| Transfer of fair value gains from equity on disposal of available-for-sale financial assets | (2,327) | - | (1,720) | - |
| <u>Other income</u> | | | | |
| Interest income | (139) | (503) | (76) | (263) |
| <u>Finance expense</u> | | | | |
| Interest expenses on bank borrowings | 704 | 1,026 | 355 | 470 |
| <u>Income tax</u> | | | | |
| Under/(over) provision of tax in respect of prior years | 47 | (11,808) | (41) | (114) |

1(b) Statements of Financial Position

| | Group | | Company | |
|--|---------------------|---------------------|---------------------|---------------------|
| | As at 30.06.2009 | As at 31.12.2008 | As at 30.06.2009 | As at 31.12.2008 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| ASSETS | | | | |
| Current assets | | | | |
| Cash and cash equivalents | 97,714 | 67,127 | 6,022 | 576 |
| Trade and other receivables | 84,182 | 87,048 | 15,367 | 15,102 |
| Inventories | 37,345 | 50,820 | - | - |
| Development properties | 123,645 | 125,410 | - | - |
| Current income tax recoverable | 2,165 | 2,207 | 1,477 | 1,395 |
| Other current assets | 3,224 | 3,092 | 72 | 96 |
| | 348,275 | 335,704 | 22,938 | 17,169 |
| Assets held for sale | 190 | 192 | - | - |
| | 348,465 | 335,896 | 22,938 | 17,169 |
| Non-current assets | | | | |
| Available-for-sale financial assets | 44,844 | 51,788 | 8,131 | 17,108 |
| Loans to subsidiaries | - | - | 40,639 | 40,846 |
| Investments in associated companies | 3,020 | 2,223 | - | - |
| Investments in subsidiaries | - | - | 381,735 | 400,857 |
| Investment properties | 51,933 | 51,884 | 34,000 | 34,000 |
| Property, plant and equipment | 135,292 | 139,852 | 7 | 9 |
| Deferred income tax assets | 3,061 | 3,807 | - | - |
| | 238,150 | 249,554 | 464,512 | 492,820 |
| Total assets | 586,615 | 585,450 | 487,450 | 509,989 |
| LIABILITIES | | | | |
| Current liabilities | | | | |
| Trade and other payables | 85,998 | 88,874 | 268,690 | 272,042 |
| Current income tax liabilities | 1,426 | 1,215 | - | - |
| Borrowings | 59,573 | 65,810 | 34,000 | 36,300 |
| Provisions for other liabilities and charges | 946 | 946 | - | - |
| | 147,943 | 156,845 | 302,690 | 308,342 |
| Non-current liabilities | | | | |
| Loans from subsidiaries | - | - | 47,961 | 47,476 |
| Provisions for other liabilities and charges | 2,486 | 2,510 | - | - |
| Deferred income tax liabilities | 17,233 | 16,841 | 106 | - |
| Other non-current liabilities | 38 | 37 | - | - |
| | 19,757 | 19,388 | 48,067 | 47,476 |
| Total liabilities | 167,700 | 176,233 | 350,757 | 355,818 |
| NET ASSETS | 418,915 | 409,217 | 136,693 | 154,171 |
| EQUITY | | | | |
| Capital and reserves attributable to the owners of the parent | | | | |
| Share capital | 218,568 | 218,568 | 218,568 | 218,568 |
| Capital reserve | 10,145 | 10,145 | - | - |
| Revaluation and other reserves | 45,808 | 12,221 | (1,506) | (2,021) |
| Retained earnings/(accumulated losses) | 88,948 | 110,747 | (80,369) | (62,376) |
| | 363,469 | 351,681 | 136,693 | 154,171 |
| Minority interests | 55,446 | 57,536 | - | - |
| TOTAL EQUITY | 418,915 | 409,217 | 136,693 | 154,171 |

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

Amount repayable in one year or less, or on demand

| As at 30.06.2009 | | As at 31.12.2008 | |
|-------------------------|------------------|-------------------------|------------------|
| Secured | Unsecured | Secured | Unsecured |
| S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| 22,573 | 37,000 | 22,010 | 43,800 |

Details of any collateral

In 2009, short-term bank loans of the Group totalling \$22,573,000 (2008: \$22,007,000) are secured by investment in available-for-sale financial assets, a first mortgage over an investment property of a subsidiary and 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 \$16,838 (2008: \$18,000).

1(c) Consolidated Statement of Cash Flows

| | 6 months ended | | 3 Months ended | |
|---|----------------|--------------|----------------|----------------|
| | 30.06.2009 | 30.06.2008 | 30.06.2009 | 30.06.2008 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Cash flows from operating activities | | | | |
| Net (loss)/profit for the period | (25,605) | 5,442 | (26,584) | (4,323) |
| Adjustments for : | | | | |
| Income tax expense/(credit) | 2,054 | (10,675) | 1,734 | 423 |
| Depreciation of property, plant and equipment | 5,483 | 4,963 | 2,720 | 2,486 |
| Dividend income from available-for-sale financial assets | (782) | (897) | (742) | (857) |
| Property, plant and equipment written-off | 84 | 28 | 31 | 11 |
| Exchange difference on consolidation | (370) | (3,703) | (803) | (2,175) |
| Loss/(gain) on disposal of plant and equipment | 5 | (20) | - | (19) |
| Gain on disposal of assets held for sale | - | (78) | - | - |
| Transfer of fair value gains from equity on disposal of available-for-sale financial assets | (2,327) | - | (1,720) | - |
| Impairment of goodwill | - | 5,361 | - | 5,361 |
| Impairment loss on available-for-sale financial assets | 35,263 | - | 33,678 | - |
| Interest expense | 704 | 1,026 | 355 | 470 |
| Interest income | (139) | (503) | (76) | (263) |
| Allowance for impairment in associated company | - | 47 | - | 47 |
| Provision for retirement benefits | 152 | 144 | 76 | 71 |
| Share of profits of associated companies | (812) | (113) | (680) | (62) |
| Operating cash flow before working capital change | 13,710 | 1,022 | 7,989 | 1,170 |
| Change in working capital | | | | |
| Trade and other receivables | 2,866 | 3,592 | (5,365) | 1,516 |
| Inventories | 13,475 | 9,838 | 3,858 | (4,382) |
| Development properties | 1,765 | 2,277 | 3,231 | 1,587 |
| Other current assets | (132) | 219 | 210 | 232 |
| Trade and other payables | (4,130) | 897 | 5,976 | 6,176 |
| Cash generated from operations | 27,554 | 17,845 | 15,899 | 6,299 |
| Income tax paid/(refunded) | (651) | (15,414) | 350 | (13,930) |
| Retirement benefits paid | (155) | (99) | (51) | (67) |
| Net cash provided by/(used in) operating activities | 26,748 | 2,332 | 16,198 | (7,698) |

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

| | 6 months ended | | 3 Months ended | |
|---|----------------|---------------|----------------|---------------|
| | 30.06.2009 | 30.06.2008 | 30.06.2009 | 30.06.2008 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Cash flows from investing activities | | | | |
| Dividends received from available-for-sale financial assets | 782 | 897 | 742 | 857 |
| Purchase of minority interest share in a subsidiary | - | (235) | - | - |
| Proceeds from disposal of property, plant and equipment | 4 | 26 | - | 25 |
| Proceeds from disposal of assets held for sale | - | 427 | - | (20) |
| Proceeds from disposal of available-for-sale financial assets | 11,133 | - | 6,593 | - |
| Purchase of property, plant and equipment | (1,375) | (1,521) | (953) | (712) |
| Purchase of available-for-sale financial assets | - | (174) | - | - |
| Interest received | 139 | 503 | 76 | 263 |
| Net cash provided by/(used in) investing activities | 10,683 | (77) | 6,458 | 413 |
| Cash flows from financing activities | | | | |
| Purchase of treasury shares | (1) | (1) | (1) | (1) |
| Interest paid | (540) | (1,015) | (262) | (555) |
| Repayments of borrowings | (21,042) | (18,000) | (16,000) | (2,000) |
| Proceeds from borrowings | 14,742 | 19,200 | 13,742 | 10,000 |
| Repayments of finance lease liabilities | (3) | (4) | (1) | (2) |
| Net cash (used in)/provided by financing activities | (6,844) | 180 | (2,522) | 7,442 |
| Net increase in cash and cash equivalents | 30,587 | 2,435 | 20,134 | 157 |
| Cash and cash equivalents at the beginning of the financial period | 67,127 | 84,306 | 77,580 | 86,584 |
| Cash and cash equivalents at the end of the financial period | 97,714 | 86,741 | 97,714 | 86,741 |
| Represented by: | | | | |
| Cash at bank and on hand | 32,537 | 38,310 | 32,537 | 38,310 |
| Fixed deposits with financial institutions | 65,177 | 48,431 | 65,177 | 48,431 |
| | 97,714 | 86,741 | 97,714 | 86,741 |

Notes

Included in fixed deposits and cash at bank and on hand of the Group are amounts totalling \$33,604,000 (2008: \$32,906,000) 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 30 June 2009

| | Attributable to owners of the parent | | | | | | Minority interests | Total equity | | |
|---|--------------------------------------|-------------------------|-------------------------------------|---------------------------|---|------------------------|--------------------|--------------|--------------------------|--------------|
| | Share capital \$'000 | Capital reserves \$'000 | Property revaluation reserve \$'000 | Fair value reserve \$'000 | Foreign currency translation reserve \$'000 | General reserve \$'000 | | | Retained earnings \$'000 | Total \$'000 |
| Balance at 1 January 2009 | 218,568 | 10,145 | 101,887 | (39,927) | (50,859) | 1,120 | 110,747 | 351,681 | 57,536 | 409,217 |
| Total comprehensive loss for the period | - | - | (874) | (5,392) | 3,414 | - | 2,459 | (393) | (966) | (1,359) |
| Balance at 31 March 2009 | 218,568 | 10,145 | 101,013 | (45,319) | (47,445) | 1,120 | 113,206 | 351,288 | 56,570 | 407,858 |
| Effect of treasury shares in a subsidiary acquired from minority interest | - | - | - | - | - | - | - | - | (1) | (1) |
| Dividends paid to minority shareholders of a subsidiary | - | - | - | - | - | - | - | - | (1,091) | (1,091) |
| Total comprehensive income for the period | - | - | (2,577) | 42,674 | (3,658) | - | (24,258) | 12,181 | (32) | 12,149 |
| Balance at 30 June 2009 | 218,568 | 10,145 | 98,436 | (2,645) | (51,103) | 1,120 | 88,948 | 353,469 | 55,446 | 418,915 |

For the financial period ended 30 June 2008

| | Attributable to owners of the parent | | | | | | Minority interests | Total equity | | |
|---|--------------------------------------|-------------------------|-------------------------------------|---------------------------|---|------------------------|--------------------|--------------|--------------------------|--------------|
| | Share capital \$'000 | Capital reserves \$'000 | Property revaluation reserve \$'000 | Fair value reserve \$'000 | Foreign currency translation reserve \$'000 | General reserve \$'000 | | | Retained earnings \$'000 | Total \$'000 |
| Balance at 1 January 2008 | 218,568 | 10,145 | 88,465 | (1,460) | (48,203) | 1,238 | 113,929 | 382,682 | 57,188 | 439,870 |
| Effect of acquisition of minority interests in a subsidiary | - | - | - | - | - | (118) | - | (118) | (117) | (235) |
| Total comprehensive loss for the period | - | - | (536) | (14,719) | (2,287) | - | 10,035 | (7,507) | (494) | (8,001) |
| Balance at 31 March 2008 | 218,568 | 10,145 | 87,929 | (16,179) | (50,490) | 1,120 | 123,964 | 375,067 | 56,577 | 431,634 |
| Effect of treasury shares in a subsidiary acquired from minority interest | - | - | - | - | - | - | - | - | (1) | (1) |
| Dividends paid to minority shareholders of a subsidiary | - | - | - | - | - | - | - | - | (1,638) | (1,638) |
| Total comprehensive loss for the period | - | - | (578) | 5,781 | (3,615) | - | (3,788) | (2,200) | (2,443) | (4,643) |
| Balance at 30 June 2008 | 218,568 | 10,145 | 87,351 | (10,398) | (54,105) | 1,120 | 120,176 | 372,867 | 52,495 | 425,362 |

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

For the financial period ended 30 June 2009

| | Share capital | Fair value reserve | Accumulated losses | Total |
|--|----------------------|---------------------------|---------------------------|--------------|
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Balance at 1 January 2009 | 218,568 | (2,021) | (62,376) | 154,171 |
| Total comprehensive income for the period* | - | (297) | 1,850 | 1,553 |
| Balance at 31 March 2009 | 218,568 | (2,318) | (60,526) | 155,724 |
| Total comprehensive loss for the period* | - | 812 | (19,843) | (19,031) |
| Balance at 30 June 2009 | 218,568 | (1,506) | (80,369) | 136,693 |

* Total comprehensive income for the period ended 30 June 2009 includes fair value gain on available-for-sale financial assets of \$515,000 and net loss for the period of \$17,993,000.

For the financial period ended 30 June 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 |
| Total comprehensive loss for the period* | - | (5,255) | 469 | (4,786) |
| Balance at 31 March 2008 | 218,568 | 7,083 | (52,167) | 173,484 |
| Total comprehensive loss for the period* | - | (3,999) | 332 | (3,667) |
| Balance at 30 June 2008 | 218,568 | 3,084 | (51,835) | 169,817 |

* Total comprehensive loss for the period ended 30 June 2008 includes fair value loss on available-for-sale financial assets of \$9,254,000 and net profit for the period of \$801,000.

- 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:-**

| | 30.06.2009 | 31.12.2008 |
|--|------------|------------|
| 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 30 June 2009 (31 December 2008: Nil). The Company does not have any treasury shares.

- 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 2008 except for the adoption of revised 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.**

On 1 January 2009, the Group adopted the revised Singapore Financial Reporting Standards (FRS 1R) – Presentation of financial statements.

FRS 1R requires all changes in equity arising from transactions with owners in their capacity as owners to be presented separately from components of comprehensive income. Components of comprehensive income are presented in the Consolidated Statement of Comprehensive Income.

The 'Balance Sheets' and 'Cash flow statement' have been re-titled to 'Statements of financial position' and 'Statement of cash flows' respectively.

Comparatives for 2008 have been restated to conform to the requirements of the revised standard.

There was no impact on prior period earnings per ordinary share and net asset value per share on adoption of the revised FRS 1R.

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 | | Group | |
|---|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | 6 Months | | 3 Months | |
| | 01.01.2009 To 30.06.2009 | 01.01.2008 To 30.06.2008 | 01.04.2009 To 30.06.2009 | 01.04.2008 To 30.06.2008 |
| | | | | |
| (Loss)/earnings per ordinary share for the period based on net (loss)/profit attributable to owners of the parent during the period:- | | | | |
| (a) Based on weighted average number of ordinary share in issue (cents) | (4.40) | 0.89 | (4.68) | (0.76) |
| (b) On a fully diluted basis (cents) | (4.40) | 0.89 | (4.68) | (0.76) |
| Weighted average number of ordinary shares in issue for calculation of basic (loss)/earnings per share ('000) | 573,920 | 573,920 | 573,920 | 573,920 |
| Weighted average number of ordinary shares in issue for calculation of diluted (loss)/earnings per share ('000) | 573,920 | 576,404 | 573,920 | 576,404 |

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 | |
|--|---------------------|---------------------|---------------------|---------------------|
| | 30.06.2009 Cents | 31.12.2008 Cents | 30.06.2009 Cents | 31.12.2008 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 | 63.33 | 61.28 | 23.82 | 26.86 |

* 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 - 6 Months ended 30 June 2009 vs. 6 Months ended 30 June 2008

Food and Beverage division performance

The Food and Beverage ("F&B") division recorded revenue of \$193.39 million in 1H2009, which was 4.9% lower than the \$203.42 million achieved in 1H2008. As a result, 1H2009 recorded \$3.45 million lower gross profit as compared to that achieved in 1H2008 of \$61.63 million. Despite the decrease in revenue and gross profit, the F&B division recorded a profit after tax of \$4.03 million in 1H2009, compared to a loss after tax of \$8.45 million in 1H2008 due to:

- Lower advertising and promotion expense of \$2.66 million mainly due to lower spending in sponsorship and lesser promotion activities carried out in current period;
- Lower marketing and selling expense of \$5.06 million mainly due to lower accrual of staff related expenses and lower FOC expense in Singapore, Malaysia and China subsidiaries;
- Lower administrative expense of \$5.70 million mainly due to the absence of \$5.36 million impairment of goodwill for the Group's investment in a China subsidiary that was recorded in 1H2008;
- Lower other expense of \$1.30 million mainly due to the absence of additional land use rights payable to the land authority in China that was recorded in 1H2008; and
- Improved results from the Group's associated company totalling \$0.7 million due to better performance from the China associated company.

Property division performance

The Property division recorded revenue of \$11.45 million in 1H2009 as compared to \$5.08 million achieved in 1H2008.

The Property division recorded a profit after tax of \$2.48 million in 1H2009, as compared to a profit after tax of \$12.87 million in 1H2008. The difference was mainly due to an absence of a write back of \$11.83 million over provision of prior years' tax arising from settlement of tax issues on revaluation surplus on land with IRAS, partially offset by higher gross profit of \$2.00 million generated from additional sales of Gardenvista project in 1H2009.

Group performance

In line with FRS 39, the Group reviews the fair value of its quoted share investments at balance sheet dates to ascertain if the investments are impaired and which require the Group to take the cumulative fair value losses to the income statements as an impairment loss. After evaluation of various qualitative and quantitative factors, the Group impaired the carrying value of some of its quoted investments by \$35.26 million at end of the period. As a result, despite the improved operational profits from both the F&B and Property divisions, the Group recorded a loss after tax of \$25.61 million in 1H2009, as compared to a profit after tax of \$5.44 million in 1H2008.

8(b) Second Quarter Results - 3 Months ended 30 June 2009 vs. 3 Months ended 30 June 2008

Food and Beverage division performance

The Food and Beverage ("F&B") division recorded revenue of \$100.16 million in 2Q2009, which improved marginally from that achieved in 2Q2008 of \$99.87 million. Profit after tax of the F&B division was \$3.39 million in 2Q2009, compared to a loss after tax of \$5.77 million in 2Q2008 due to:

- Lower advertising and promotion expense of \$1.29 million mainly due to lesser promotion activities carried out;
- Lower selling and distribution expense of \$2.67 in Singapore and China subsidiaries;
- Lower administrative expense of \$5.41 million mainly due to the absence of \$5.36 million impairment of goodwill for the Group's investment in a China subsidiary that was recorded in 2Q2008;

Property division performance

The Property division recorded revenue of \$9.00 million in 2Q2009 as compared to \$2.61 million achieved in 2Q2008.

The Property division recorded a profit after tax of \$2.04 million in 2Q2009, as compared to a profit after tax of \$0.5 million in 2Q2008. The difference was mainly due to \$2.18 million higher gross profit generated from improved sales, partially offset by a higher tax provision of \$0.82 million in 2Q2009.

Group performance

Despite the improved operational profits contributed by the F&B and Property divisions, the Group's current quarter results were adversely affected by an impairment loss of \$33.68 million for the Group's investment in quoted share as highlighted above. As a result, the Group recorded a loss after tax of \$26.58 million in 2Q2009, as compared to a loss after tax of \$4.32 million in 2Q2008,

8(c) Statements of financial Position – 30 June 2009 vs. 31 December 2008

Group

Trade and other receivables for the Group decreased by \$2.87 million from \$87.05 million as at 31 December 2008 to \$84.18 million as at 30 June 2009. The decrease was mainly due to improved collection from the F&B division in 1H2009.

Inventories reduced by \$13.47 million from \$50.82 million as at 31 December 2008 to \$37.35 million as at 30 June 2009 mainly due to sale of Chinese New Year stocks built up in December 2008 for the festive season.

Available-for-sale financial assets decreased by \$6.95 million from \$51.79 million as at 31 December 2008 to \$44.84 million as at 30 June 2009. The decrease is due to disposal of \$11.13 million quoted equity investments in 1H2009, partially offset by \$4.24 million net fair value gains on quoted equity investments at balance sheet date.

Property, plant and equipment decreased by \$4.56 million from \$139.85 million as at 31 December 2008 to \$135.29 million as at 30 June 2009, mainly due to current period depreciation charge of \$5.48 million, partially offset by an addition of \$1.38 million equipment.

Trade and other payables decreased by \$2.87 million from \$88.87 million as at 31 December 2008 to \$86.00 million as at 30 June 2009. The decrease was mainly due to prompt settlement of trade and other payables in F&B division.

Bank borrowings decreased by \$6.24 million as at 30 June 2009 mainly due to repayment of short term bank loans.

Company

Available-for-sale financial assets decreased by \$8.98 million from \$17.11 million as at 31 December 2008 to \$8.13 million as at 30 June 2009 due to disposal of \$11.13 million quoted investments, partially offset by \$2.84 million net fair value gains on quoted equity investments in 1H2009.

Investment in subsidiaries decreased by \$19.12 million from \$400.86 million as at 31 December 2008 to \$381.74 million as at 30 June 2009 mainly due to \$18.17 million additional impairment of investment in a subsidiary.

Trade and other payables decreased by \$3.35 million from \$272.04 million as at 31 December 2008 to \$268.69 million as at 30 June 2009 largely due to repayment of an advance from a subsidiary.

Borrowings decreased by \$2.30 million from \$36.30 million as at 31 December 2008 to \$34.00 million as at 30 June 2009 due to net repayment of short term bank loans.

8(d) Statement of Cash Flows

Year to Date - 6 months ended 30 June 2009

The Group reported a net increase in cash of \$30.59 million for the 6 months ended 30 June 2009 as compared to a net increase in cash of \$2.44 million for the previous corresponding period.

Operating activities generated cash inflow of \$26.75 million, of which \$3.1 million is contributed by property division.

Cash inflow from investing activities of \$10.68 million was mainly due to proceeds from disposal of available-for-sale financial assets of \$11.13 million and dividends received of \$0.78 million, partially offset by purchase of property, plant & equipment worth \$1.38 million.

Cash outflow from financing activities of \$6.84 million was due to net repayment of bank borrowings of \$6.30 million and interest paid of \$0.54 million.

Third Quarter – 3 Months ended 30 June 2009

The Group registered a net increase in cash of \$20.13 million for the second quarter ended 30 June 2009.

Operating activities generated cash inflow of \$16.20 million, of which \$7.40 million is contributed by property division.

Cash inflow from investing activities of \$6.46 million was mainly due to proceeds from disposal of available-for-sale financial assets of \$6.59 million.

Cash outflow from financing activities of \$2.52 million was due to net 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 period and the next 12 months.

In the next 12 months the global recession will continue to affect consumer demand and selling price, which will add pressure on margins in the Food and Beverage business. The Group will focus on improving operational efficiency and cost management measures to stay competitive.

For the Property division, the Group will continue to drive sales of its development properties in 2009.

While the stock market has seen some recovery in recent months, it is still about 20% below the pre-crisis level and therefore the fair value of quoted investments held by the Group may continue to be affected. Hence the Group will continuously assess the fair values of its quoted investment portfolio at each balance sheet date to determine if the investments are impaired, and which require the Group to recognise the impairment loss in the next 12 months.

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

In 2008, the Central Jakarta District Court has dismissed the suit in favour of certain subsidiaries of the Group, Yeo Hiap Seng (Malaysia) Berhad (YHSM) and PT YHS Indonesia (Incorporated in Indonesia), in relation to a suit filed by PT Kharisma Inti Persada ("Plaintiff") in Central Jakarta District Court, claiming for approximately Rupiah 219.9 billion (approximately \$32 million) for an alleged breach of an alleged distribution agreement and an alleged distribution appointment. Subsequently a formal notification on the Plaintiff's appeal together with the Plaintiff's memorial of appeal has been served against YHSM. YHSM will be contesting the appeal and based on the advice from YHSM's legal advisor Indonesia, the Directors of YHSM are of the opinion that the claim is without merit and therefore unsustainable.

12. 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.

13. If no dividend has been declared/recommendeded, 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
07 August 2009

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 30 June 2009 to be false or misleading in any material respect.

On behalf of the Directors



TJONG YIK MIN
Director

07 August 2009



OW TIN NYAP
Director