

YHS YEO HIAP SENG LIMITED

(Company Registration No. 195500138Z)

Unaudited Financial Statements and Dividend Announcement for the period ended 31 March 2011

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

	3 Months	
	01.01.2011 to 31.03.2011	01.01.2010 to 31.03.2010
	S\$'000	S\$'000
Revenue	108,643	108,105
Cost of sales	(69,047)	(71,491)
Gross profit	39,596	36,614
Other income	514	332
Other losses - net	(435)	(644)
Expenses		
- Advertising and promotion	(9,815)	(8,493)
- Marketing	(588)	(349)
- Selling and distribution	(14,297)	(14,631)
- Administrative	(5,819)	(5,751)
- Finance	(77)	(243)
Share of profits of associated companies	402	209
Profit before income tax	9,481	7,044
Income tax expense	(2,180)	(1,793)
Net profit for the period	7,301	5,251
Other comprehensive (losses)/income:		
Financial assets, available-for-sale		
- Fair value (losses)/gains	(7,346)	6,705
Currency translation differences arising from consolidation	(3,081)	4,688
Other comprehensive (losses)/income for the period, net of tax	(10,427)	11,393
Total comprehensive (losses)/income for the period	(3,126)	16,644
Net profit attributable to:		
Equity holders of the Company	5,951	4,512
Non-controlling interests	1,350	739
	7,301	5,251
Total comprehensive (losses)/income attributable to:		
Equity holders of the Company	(3,925)	13,985
Non-controlling interests	799	2,659
	(3,126)	16,644

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

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

	3 Months	
	01.01.2011 to 31.03.2011	01.01.2010 to 31.03.2010
	S\$'000	S\$'000
<u>Revenue</u>		
Dividend income from financial assets, available-for-sale	(7)	(8)
<u>Cost of sales</u>		
Depreciation	974	1,166
Write down of inventories, net	275	443
<u>Marketing expense</u>		
Depreciation	6	7
<u>Selling and distribution expense</u>		
Depreciation	455	497
Impairment of trade receivables, net	21	292
<u>Administrative expense</u>		
Depreciation	603	732
<u>Other losses - net</u>		
Impairment loss on property, plant and equipment	502	-
Property, plant and equipment written-off	1	6
Impairment loss on financial assets, available-for-sale	-	601
Fair value gain on financial assets, at fair value through profit or loss	(176)	-
(Write-back of allowance)/Allowance for foreseeable losses on development properties	(240)	19
Net foreign exchange loss	941	285
Gain on disposal of property, plant and equipment	(456)	(2)
<u>Other income</u>		
Interest income	(37)	(65)
<u>Finance expense</u>		
Interest expenses on bank borrowings	77	243
<u>Income tax</u>		
(Over)/Under provision of tax in respect of prior years	(153)	183

1(b) Balance Sheets

	Group		Company	
	As at 31.03.2011	As at 31.12.2010	As at 31.03.2011	As at 31.12.2010
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	101,547	100,634	743	7,171
Financial assets, at fair value through profit or loss	28,724	20,429	-	-
Trade and other receivables	64,077	64,822	13,907	14,888
Inventories	38,225	46,886	-	-
Development properties	116,915	117,432	-	-
Current income tax recoverable	248	604	-	-
Other current assets	3,640	3,105	50	60
	353,376	353,912	14,700	22,119
Non-current assets				
Financial assets, available-for-sale	101,117	108,548	8,890	8,568
Loans to subsidiaries	-	-	21,658	21,868
Investments in associated companies	3,536	3,204	-	-
Investments in subsidiaries	-	-	398,129	398,227
Investment properties	55,253	56,555	33,000	33,000
Property, plant and equipment	106,467	109,420	9	11
Intangible asset	-	17	-	-
Deferred income tax assets	1,150	1,381	-	-
	267,523	279,125	461,686	461,674
Total assets	620,899	633,037	476,386	483,793
LIABILITIES				
Current liabilities				
Trade and other payables	73,689	71,178	262,840	263,006
Current income tax liabilities	3,182	2,822	392	320
Borrowings	14,661	26,857	6,000	13,000
	91,532	100,857	269,232	276,326
Non-current liabilities				
Loans from subsidiaries	-	-	13,265	13,724
Provisions for other liabilities and charges	2,205	2,237	-	-
Deferred income tax liabilities	19,961	19,615	238	238
Other non-current liabilities	33	34	-	-
	22,199	21,886	13,503	13,962
Total liabilities	113,731	122,743	282,735	290,288
NET ASSETS	507,168	510,294	193,651	193,505
EQUITY				
Capital and reserves attributable to the Company's equity holders				
Share capital	218,568	218,568	218,568	218,568
Capital reserves	6,066	6,066	-	-
Other reserves	107,080	119,298	4,012	3,690
Retained profits/(Accumulated losses)	120,216	111,923	(28,929)	(28,753)
	451,930	455,855	193,651	193,505
Non-controlling interests	55,238	54,439	-	-
TOTAL EQUITY	507,168	510,294	193,651	193,505

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

Amount repayable in one year or less, or on demand

As at 31.03.2011		As at 31.12.2010	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
5,661	9,000	6,857	20,000

Details of any collateral

As at 31 March 2011, short-term bank loans of the Group totalling \$5,661,000 are secured by a first mortgage over an investment property of a subsidiary.

As at 31 December 2010, short-term bank loans of the Group totalling \$6,857,000 are secured by investment in available-for-sale financial assets, fixed deposits and a first mortgage over an investment property of a subsidiary.

1(c) Consolidated Statement of Cash Flows

	3 Months ended	
	31.03.2011	31.03.2010
	S\$'000	S\$'000
Cash flows from operating activities		
Net profit for the period	7,301	5,251
Adjustments for :		
Income tax expense	2,180	1,793
Depreciation of property, plant and equipment	2,038	2,402
Dividend income from available-for-sale financial assets	(7)	(8)
Property, plant and equipment written-off	1	6
Currency exchange difference on consolidation	(462)	2,088
Gain on disposal of property, plant and equipment	(456)	(2)
Fair value gain on financial assets, at fair value through profit or loss	(176)	-
Amortisation of intangible assets	17	-
Impairment loss on financial assets, available-for-sale	-	601
Interest expense	77	243
Interest income	(37)	(65)
(Write-back of allowance)/Allowance for foreseeable losses on development properties	(240)	19
Provision for retirement benefits	85	73
Impairment loss on property, plant and equipment	502	-
Share of profits of associated companies	(402)	(209)
Operating cash flow before working capital change	10,421	12,192
Change in working capital		
Trade and other receivables	745	(6,087)
Inventories	8,661	14,505
Development properties	757	732
Other current assets	(535)	(258)
Trade and other payables	2,497	(4,283)
Cash generated from operations	22,546	16,801
Income tax paid	(610)	(425)
Restructuring costs paid	-	(3)
Retirement benefits paid	(94)	(34)
Net cash provided by operating activities	21,842	16,339

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

	3 Months ended	
	31.03.2011	31.03.2010
	S\$'000	S\$'000
Cash flows from investing activities		
Dividends received from financial assets, available-for-sale	7	8
Proceeds from disposal of property, plant and equipment	477	3
Purchases of property, plant and equipment	(820)	(852)
Purchases of financial assets, at fair value through profit or loss	(8,333)	-
Interest received	37	65
Net cash used in investing activities	(8,632)	(776)
Cash flows from financing activities		
Withdrawal of a fixed deposit as security for bank facilities	6,718	-
Interest paid	(64)	(264)
Repayments of borrowings	(12,000)	-
Net cash used in financing activities	(5,346)	(264)
Net increase in cash and cash equivalents	7,864	15,299
Cash and cash equivalents at the beginning of the financial period	93,683	85,801
Cash and cash equivalents at the end of the financial period*	101,547	101,100
Represented by:		
Cash at bank and on hand	71,135	36,238
Fixed deposits with financial institutions	30,412	72,389
Cash and cash equivalents as per balance sheet	101,547	108,627
Less: Fixed deposits pledged for bank facilities	-	(7,527)
Cash and cash equivalents as per above*	101,547	101,100

Notes

Included in fixed deposits and cash at bank and on hand of the Group are amounts totalling \$53,711,000 (2010: \$48,804,000) 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 2011

	Attributable to equity holders of the Company							Non-controlling interests	Total equity
	Foreign								
	Share capital \$'000	Capital reserves \$'000	Property revaluation reserve \$'000	Fair value reserve \$'000	Foreign currency translation reserve \$'000	General reserve \$'000	Retained profits \$'000		
Balance at 1 January 2011	218,568	6,066	84,241	66,586	(32,649)	1,120	111,923	54,439	510,294
Transfer to retained profits on realisation	-	-	(2,342)	-	-	-	2,342	-	-
Total comprehensive losses for the period	-	-	-	(7,403)	(2,473)	-	5,951	799	(3,126)
Balance at 31 March 2011	218,568	6,066	81,899	59,183	(35,122)	1,120	120,216	55,238	507,168

For the financial period ended 31 March 2010

	Attributable to equity holders of the Company							Non-controlling interests	Total equity
	Foreign								
	Share capital \$'000	Capital reserves \$'000	Property revaluation reserve \$'000	Fair value reserve \$'000	Foreign currency translation reserve \$'000	General reserve \$'000	Retained profits \$'000		
Balance at 1 January 2010	218,568	10,145	96,087	13,195	(30,485)	1,120	70,827	55,005	434,462
Transfer to retained profits on realisation	-	-	(1,385)	-	-	-	1,385	-	-
Total comprehensive income for the period	-	-	-	6,659	2,814	-	4,512	2,659	16,644
Balance at 31 March 2010	218,568	10,145	94,702	19,854	(27,671)	1,120	76,724	57,664	451,106

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

For the financial period ended 31 March 2011

	Share capital	Fair value reserve	Accumulated losses	Total
	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2011	218,568	3,690	(28,753)	193,505
Total comprehensive income for the period	-	322	(176)	146
Balance at 31 March 2011	218,568	4,012	(28,929)	193,651

For the financial period ended 31 March 2010

	Share capital	Fair value reserve	Accumulated losses	Total
	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2010	218,568	1,678	(53,270)	166,976
Total comprehensive losses for the period	-	78	(287)	(209)
Balance at 31 March 2010	218,568	1,756	(53,557)	166,767

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:-

	31.03.2011	31.12.2010
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 2011 (31 December 2010: 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 2010 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 2011, the Group adopted the following revised Singapore Financial Reporting Standards (FRS).

Amendments to FRS 24 – Related party disclosures (effective for annual periods beginning on or after 1 January 2011)

There was no material impact on the financial statements of the Group and of the Company on adoption of the revised FRS mentioned above.

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.

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)
- (b) On a fully diluted basis (cents)

Weighted average number of ordinary shares in issue for calculation of basic earnings per share ('000)

Weighted average number of ordinary shares in issue for calculation of diluted earnings per share ('000)

Group	
3 Months	
01.01.2011 To 31.03.2011	01.01.2010 To 31.03.2010
1.04	0.79
1.04	0.79
573,920	573,920
573,920	573,920

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	
	31.03.2011 Cents	31.12.2010 Cents	31.03.2011 Cents	31.12.2010 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	78.74	79.43	33.74	33.72

* 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 2011 vs. 3 Months ended 31 March 2010**

Food and Beverage division performance

The Food and Beverage ("F&B") revenue decreased by 4.4% to \$96.89 million for the financial period ended 31 March 2011 as compared to \$101.31 million recorded in the corresponding period last year. Despite the decrease in revenue, F&B division gross profit improved by 4.2% to \$35.16 million as compared to \$33.75 million in the corresponding period last year largely due to better effective selling price and sales mix in the Malaysian subsidiary. The increase in gross profit was partially offset by:

- Higher advertising and promotion expense of \$1.32 million mainly due to more activities in Malaysia;
- Impairment of property, plant and equipment of \$0.50 million from the Group's Malaysian subsidiary as part of management's effort to improve operational efficiency through the consolidation of some manufacturing operations; and
- Higher tax expense of \$0.17 million which is in line with higher operating profits in Malaysia.

Coupled with gains on disposal of plant and machinery of \$0.46 million from the Group's Malaysian subsidiary, the F&B division recorded lower net profit after tax of \$4.04 million in the current period as compared to net profit after tax of \$4.09 million in the corresponding period last year.

Property division performance

Revenue from Property division, which is recognised progressively, increased by \$4.97 million to \$11.76 million in the current period as compared to \$6.79 million recorded in the corresponding period last year. Net profit after tax of \$3.39 million is recorded in the current period as compared to \$1.98 million in the corresponding period last year.

The higher revenue and profit after tax is due to higher number of units of development properties sold in the current period.

Group performance

The Group recorded net profit after tax attributable to equity holders of the Company of \$5.95 million in the current financial year, as compared to a net profit after tax of \$4.51 million in the previous financial period mainly due to higher profits of \$1.41 million from the Property Division compared to previous corresponding financial period.

8(b) Balance Sheets – 31 March 2011 vs. 31 December 2010

Group

Financial assets, at fair value through profit or loss for the Group increased by \$8.29 million from \$20.43 million as at 31 December 2010 to \$28.72 million as at 31 March 2011. The increase was mainly due to additional investment in unit trusts made by the Group's Malaysian subsidiary in the current financial period.

Inventories for the Group decreased by \$8.66 million from \$46.89 million as at 31 December 2010 to \$38.23 million as at 31 March 2011 mainly due to running down on inventories built up in December 2010 for the Chinese New Year festive season.

Available-for-sale financial assets decreased by \$7.43 million from \$108.55 million as at 31 December 2010 to \$101.12 million as at 31 March 2011 mainly due to \$7.35 million fair value loss on financial assets, available-for-sale at balance sheet date.

Property, plant and equipment of the Group decreased by \$2.95 million from \$109.42 million as at 31 December 2010 to \$106.47 million as at 31 March 2011 mainly due to current period depreciation charge of \$2.04 million, impairment loss of \$0.50 million and translation loss of \$1.21 million. The decrease was partially offset by purchase of \$0.82 million of plant and equipment in the current financial period.

Trade and other payables increased by \$2.51 million from \$71.18 million as at 31 December 2010 to \$73.69 million as at 31 March 2011 mainly due to higher accrual of advertising and promotion expense in Malaysia and Singapore subsidiaries.

Bank borrowings decreased by \$12.20 million from \$26.86 million as at 31 December 2010 to \$14.66 million as at 31 March 2011 mainly due to repayment of short-term bank loans.

Company

Trade and other receivables decreased by \$0.98 million from \$14.89 million as at 31 December 2010 to \$13.91 million as at 31 March 2011 mainly due to repayment by a subsidiary.

Borrowings decreased by \$7.0 million from \$13.0 million as 31 December 2010 to \$6.0 million as at 31 March 2011 due to repayment of short-term bank loans.

8(c) Statement of Cash Flows

3 months ended 31 March 2011 vs. 3 months ended 31 March 2010

The Group registered a net increase in cash of \$7.86 million for the period ended 31 March 2011.

Net operating cash inflow generated by the Food and Beverage division and the Property division were \$14.34 million and \$7.50 million respectively.

Cash outflow from investing activities of \$8.63 million was mainly due purchase of financial assets at fair value through profit or loss of \$8.33 million and purchase of property, plant and equipment of \$0.82 million, partially offset by proceeds from disposal of property, plant and equipment of \$0.48 million and interest income received of \$0.04 million.

Cash outflow from financing activities of \$5.35 million was due to repayment of bank borrowings of \$12.0 million, partially offset by withdrawal of a fixed deposit of \$6.72 million which was previously pledged for bank facilities.

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 Group's F&B Division's margins are expected to be squeezed because raw material prices and energy costs will continue to rise while the selling prices will continue to be competitive.

Management will continue to improve on operating efficiency and production process to partially counter the effects of rising costs in the F&B division.

For the Property division, the Group will continue to sell its remaining units of development properties.

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

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

11. Contingent Liability

- (a) In 2003, a legal action for an alleged breach of agreement with regard to contract packing arrangement was brought by FY Sdn Bhd ("the Plaintiff"), a company incorporated in Malaysia, against Yeo Hiap Seng (Malaysia) Berhad ("YHSM"), a subsidiary of the Group claiming for damages of approximately \$2.6 million (RM6.2 million) with interest and cost thereon.

On 10 March 2010, the High Court of Shah Alam has vide the proceedings under Civil Suit no. MT3-22-936-2003 granted judgement against YHSM in favour of the Plaintiff. The High Court did not award the quantum of damages and ordered that damages be assessed before the Registrar of the High Court. Based on the advice from its legal advisors, YHSM has a strong case to appeal and a memorandum of appeal has been filed with the Court on 28 June 2010. There has been no change in status since the last quarter reporting.

- (b) On 1 February 2010, YHSM received a formal notification from the Central Jakarta District Court informing that the Jakarta High Court has decided in favour of YHSM and its subsidiary, PT YHS Indonesia, in respect of an appeal filed by PT Kharisma Inti Persada ("the Plaintiff") in the Jakarta High Court against YHSM and its subsidiary, PT YHS Indonesia, claiming for approximately \$32 million (Rupiah 219.9 billion) for an alleged breach of an alleged distribution agreement and an alleged distributor's appointment. On 23 March 2010, the Plaintiff filed an appeal to the Supreme Court, and YHSM filed a counter memorandum to the court on 5 April 2010. YHSM still awaiting the Indonesia Supreme Court decision and there has been no change in status since the last quarter reporting.

No provision has been made for the above contingent liabilities in the financial period reported on.

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/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
27 April 2011

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 2011 to be false or misleading in any material respect.

On behalf of the Directors



TJONG YIK MIN
Director



YAP NG SENG
Director

27 April 2011