

YHS YEO HIAP SENG LIMITED

(Company Registration No. 195500138Z)

Unaudited Financial Statements and Dividend Announcement for the year ended 31 December 2010

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

1(a)(i) Consolidated Statement of Comprehensive Income

	12 Months		3 Months	
	01.01.2010 to 31.12.2010	01.01.2009 to 31.12.2009	01.10.2010 to 31.12.2010	01.10.2009 to 31.12.2009
	S\$'000	S\$'000	S\$'000	S\$'000
Revenue	399,841	402,217	87,937	91,904
Cost of sales	(251,672)	(274,277)	(56,018)	(63,488)
Gross profit	148,169	127,940	31,919	28,416
Other income	2,183	1,749	581	285
Other (losses)/gains - net	(424)	(38,703)	4,839	(2,662)
Expenses				
- Advertising and promotion	(33,371)	(27,670)	(8,180)	(7,721)
- Marketing	(2,260)	(1,963)	(622)	(331)
- Selling and distribution	(56,345)	(60,613)	(13,995)	(15,763)
- Administrative	(23,844)	(23,297)	(5,968)	(4,968)
- Finance	(649)	(1,292)	(96)	(282)
Share of profits/(losses) of associated companies	339	887	(40)	(42)
Profit/(Loss) before income tax	33,798	(22,962)	8,438	(3,068)
Income tax (expense)/credit	(6,902)	(3,034)	(2,463)	806
Net profit/(loss) for the period	26,896	(25,996)	5,975	(2,262)
Other comprehensive income/(losses):				
Financial assets, available-for-sale				
- Fair value gains	54,199	19,654	21,346	1,258
- Transfer to profit or loss	-	34,598	-	8
Currency translation differences arising from consolidation	1,231	(1,370)	(2,727)	1,380
Currency translation reserves transferred to profit or loss upon liquidation of a subsidiary	(1,652)	-	-	-
Reduction in property revaluation reserve arising from impairment of properties	(2,741)	-	-	-
Other comprehensive income for the period, net of tax	51,037	52,882	18,619	2,646
Total comprehensive income for the period	77,933	26,886	24,594	384
Net profit/(loss) attributable to:				
Equity holders of the Company	26,840	(24,796)	6,353	(1,976)
Non-controlling interests	56	(1,200)	(378)	(286)
	26,896	(25,996)	5,975	(2,262)
Total comprehensive income/(losses) attributable to:				
Equity holders of the Company	76,398	27,776	25,379	346
Non-controlling interests	1,535	(890)	(785)	38
	77,933	26,886	24,594	384

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

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

	12 Months		3 Months	
	01.01.2010 to 31.12.2010	01.01.2009 to 31.12.2009	01.10.2010 to 31.12.2010	01.10.2009 to 31.12.2009
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Revenue</u>				
Dividend income from financial assets, available-for-sale	(2,573)	(1,231)	(10)	(11)
<u>Cost of sales</u>				
Depreciation	4,792	5,020	873	1,248
Write down of inventories, net	2,925	2,450	1,597	678
<u>Marketing expense</u>				
Depreciation	26	27	6	6
<u>Selling and distribution expense</u>				
Depreciation	2,059	2,301	461	490
Impairment of trade receivables, net	955	166	240	(38)
<u>Administrative expense</u>				
Depreciation	2,669	3,248	567	794
<u>Other losses/(gains) - net</u>				
Impairment loss on property, plant and equipment	6,097	4,741	563	4,426
Property, plant and equipment written-off	59	2,744	16	2,613
(Gain)/Loss on liquidation of a subsidiary	(1,526)	42	-	-
Gain on disposal of financial assets, available-for-sale	-	(12)	-	-
Impairment loss on financial assets, available-for-sale	965	40,779	-	1,363
Fair value gain on financial assets, at fair value through profit or loss	(220)	-	(169)	-
Write-back of allowance for foreseeable losses on development properties	(2,700)	(1,836)	(2,503)	(1,836)
Fair value gain on investment properties, net	(3,375)	(4,104)	(3,375)	(4,104)
Net foreign exchange loss	4,186	2,434	783	1,409
(Gain)/Loss on disposal of property, plant and equipment	(90)	(227)	7	(113)
Transfer of fair value (gains)/losses from fair value reserve on disposal of financial assets, available-for-sale	-	(3,220)	-	8
<u>Other income</u>				
Interest income	(500)	(248)	(54)	(46)
<u>Finance expense</u>				
Interest expenses on bank borrowings	649	1,292	96	282
<u>Income tax</u>				
Over provision of tax in respect of prior years	(427)	(1,566)	(545)	(1,844)

1(b) Balance Sheets

	Group			Company	
	As at 31.12.2010	Restated as at 31.12.2009	Restated as at 01.01.2009	As at 31.12.2010	As at 31.12.2009
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS					
Current assets					
Cash and cash equivalents	100,634	93,328	67,127	7,171	8,921
Financial assets, at fair value through profit or loss	20,429	-	-	-	-
Trade and other receivables	64,822	75,805	87,048	14,888	18,125
Inventories	46,886	48,812	50,820	-	-
Development properties	117,432	127,305	125,410	-	-
Current income tax recoverable	604	2,198	2,207	-	1,550
Other current assets	3,105	3,146	3,092	60	100
	353,912	350,594	335,704	22,119	28,696
Assets held for sale	-	-	192	-	-
	353,912	350,594	335,896	22,119	28,696
Non-current assets					
Financial assets, available-for-sale	108,548	55,147	51,788	8,568	7,183
Loans to subsidiaries	-	-	-	21,868	53,985
Investments in associated companies	3,204	3,014	2,223	-	-
Investments in subsidiaries	-	-	-	398,227	392,514
Investment properties	56,555	54,883	51,884	33,000	31,000
Property, plant and equipment	109,420	122,811	139,852	11	11
Intangible asset	17	-	-	-	-
Deferred income tax assets	1,381	2,975	3,807	-	217
	279,125	238,830	249,554	461,674	484,910
Total assets	633,037	589,424	585,450	483,793	513,606
LIABILITIES					
Current liabilities					
Trade and other payables	71,178	81,050	88,874	263,006	269,303
Current income tax liabilities	2,822	1,235	1,215	320	-
Borrowings	26,857	51,349	65,810	13,000	31,000
Provisions for other liabilities and charges	-	160	946	-	-
	100,857	133,794	156,845	276,326	300,303
Non-current liabilities					
Loans from subsidiaries	-	-	-	13,724	46,327
Provisions for other liabilities and charges	2,237	2,523	2,510	-	-
Deferred income tax liabilities	19,615	18,609	16,841	238	-
Other non-current liabilities	34	36	37	-	-
	21,886	21,168	19,388	13,962	46,327
Total liabilities	122,743	154,962	176,233	290,288	346,630
NET ASSETS	510,294	434,462	409,217	193,505	166,976
EQUITY					
Capital and reserves attributable to the Company's equity holders					
Share capital	218,568	218,568	218,568	218,568	218,568
Capital reserves	6,066	10,145	10,145	-	-
Other reserves	119,298	79,917	33,145	3,690	1,678
Retained profits/(Accumulated losses)	111,923	70,827	89,823	(28,753)	(53,270)
	455,855	379,457	351,681	193,505	166,976
Non-controlling interests	54,439	55,005	57,536	-	-
TOTAL EQUITY	510,294	434,462	409,217	193,505	166,976

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

Amount repayable in one year or less, or on demand

As at 31.12.2010		As at 31.12.2009	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
6,857	20,000	17,349	34,000

Details of any collateral

In 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.

In 2009, short-term bank loans of the Group totalling \$17,349,000 were secured by investment in available-for-sale financial assets, fixed deposits, a first mortgage over an investment property of a subsidiary and a first mortgage over the residential freehold development property of a subsidiary.

1(c) Consolidated Statement of Cash Flows

	12 Months ended		3 Months ended	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities				
Net profit/(loss) for the period	26,896	(25,996)	5,975	(2,262)
Adjustments for :				
Income tax expense/(credit)	6,902	3,034	2,463	(806)
Depreciation of property, plant and equipment	9,546	10,596	1,907	2,538
Dividend income from financial assets, available-for-sale	(2,573)	(1,231)	(10)	(11)
Property, plant and equipment written-off	59	2,744	16	2,613
Fair value gain on investment properties, net	(3,375)	(4,104)	(3,375)	(4,104)
Currency exchange difference on consolidation	2,996	1,225	86	1,434
(Gain)/Loss on disposal of property, plant and equipment	(90)	(227)	7	(113)
Gain on disposal of unquoted financial assets, available-for-sale	-	(12)	-	-
Fair value gain on financial assets, at fair value through profit or loss	(220)	-	(169)	-
Gain on disposal of assets held for sale	-	(1)	-	(1)
(Gain)/Loss on liquidation of a subsidiary	(1,526)	42	-	-
Transfer of fair value (gains)/losses from fair value reserve on disposal of financial assets, available-for-sale	-	(3,220)	-	8
Impairment loss on financial assets, available-for-sale	965	40,779	-	1,363
Interest expense	649	1,292	96	282
Interest income	(500)	(248)	(54)	(46)
Write-back of allowance for foreseeable losses on development properties	(2,700)	(1,836)	(2,503)	(1,836)
Provision/(Write-back of provision) for retirement benefits	64	303	(169)	76
Write-back of provision for restructuring cost	(143)	(527)	(143)	(527)
Impairment loss on property, plant and equipment	6,097	4,741	563	4,426
Share of (profits)/losses of associated companies	(339)	(887)	40	42
Operating cash flow before working capital change	42,708	26,467	4,730	3,076
Change in working capital				
Trade and other receivables	10,983	11,243	12,119	15,288
Inventories	1,926	2,008	(9,347)	(6,508)
Development properties	12,573	(59)	356	83
Other current assets	41	(54)	90	245
Trade and other payables	(10,852)	(8,097)	(2,196)	(8,413)
Cash generated from operations	57,379	31,508	5,752	3,771
Income tax refunded/(paid)	184	(73)	(1,096)	(596)
Restructuring costs paid	(17)	(259)	(2)	(1)
Retirement benefits paid	(412)	(258)	(263)	(36)
Net cash provided by operating activities	57,134	30,918	4,391	3,138

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

	12 Months ended		3 Months ended	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from investing activities				
Dividends received from financial assets, available-for-sale	2,573	1,231	10	11
Additions of intangible assets	(17)	-	(17)	-
Proceeds from disposal of property, plant and equipment	210	4,360	72	3,572
Proceeds from disposal of assets held for sale	-	190	-	190
Proceeds from disposal of financial assets, available-for-sale	-	13,277	-	41
Proceeds from disposal of unquoted financial assets, available-for-sale	13	12	13	-
Proceeds from sales of financial assets, at fair value through profit or loss	10,105	-	10,105	-
Purchases of property, plant and equipment	(6,404)	(7,070)	(2,686)	(4,120)
Renovation of investment property	(99)	-	(3)	-
Purchases of financial assets, available-for-sale	(38)	-	(11)	-
Purchases of financial assets, at fair value through profit or loss	(30,316)	-	(2,886)	-
Interest received	500	248	54	46
Net cash (used in)/provided by investing activities	(23,473)	12,248	4,651	(260)
Cash flows from financing activities				
Dividends paid to minority shareholders of a subsidiary	(1,146)	(1,640)	-	(549)
Placement of a fixed deposits as security for bank borrowings	(7)	(7,527)	(7)	-
Purchases of treasury shares	(1)	(1)	-	-
Interest paid	(625)	(1,020)	(84)	(126)
Repayments of borrowings	(30,000)	(40,042)	(6,000)	(13,500)
Proceeds from borrowings	6,000	25,742	6,000	10,000
Repayments of finance lease liabilities	-	(4)	-	-
Net cash used in financing activities	(25,779)	(24,492)	(91)	(4,175)
Net increase/(decrease) in cash and cash equivalents	7,882	18,674	8,951	(1,297)
Cash and cash equivalents at the beginning of the financial period	85,801	67,127	84,732	87,098
Cash and cash equivalents at the end of the financial period*	93,683	85,801	93,683	85,801
Represented by:				
Cash at bank and on hand	32,716	40,802	32,716	40,802
Fixed deposits with financial institutions	67,918	52,526	67,918	52,526
Cash and cash equivalents as per balance sheet	100,634	93,328	100,634	93,328
Less: Fixed deposits pledged for bank borrowings	(6,951)	(7,527)	(6,951)	(7,527)
Cash and cash equivalents as per above*	93,683	85,801	93,683	85,801

Notes

Included in fixed deposits and cash at bank and on hand of the Group are amounts totalling \$48,804,000 (2009: \$28,041,000) 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 December 2010

	Attributable to equity holders of the Company							Total	Non-controlling interests	Total equity
	Share capital	Capital reserves	Property revaluation reserve	Fair value reserve	Foreign currency translation reserve	General reserve	Retained profits			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2010 - As previously reported	218,568	10,145	96,087	13,195	(51,409)	1,120	91,751	379,457	55,005	434,462
Prior year restatement	-	-	-	-	20,924	-	(20,924)	-	-	-
Balance at 1 January 2010 - As restated	218,568	10,145	96,087	13,195	(30,485)	1,120	70,827	379,457	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	13,985	2,659	16,644
Balance at 31 March 2010 - As restated	218,568	10,145	94,702	19,854	(27,671)	1,120	76,724	393,442	57,664	451,106
Effect of treasury shares in a subsidiary acquired from non-controlling interests	-	-	-	-	-	-	-	-	(1)	(1)
Dividends paid to non-controlling interests of a subsidiary	-	-	-	-	-	-	-	-	(1,146)	(1,146)
Transfer to retained profits on realisation	-	-	(1,683)	-	-	-	1,683	-	-	-
Total comprehensive income for the period	-	-	(1,664)	10,404	242	-	5,392	14,374	(1,150)	13,224
Balance at 30 June 2010 - As restated	218,568	10,145	91,355	30,258	(27,429)	1,120	83,799	407,816	55,367	463,183
Dividends paid to non-controlling interests of a subsidiary	-	-	-	-	-	-	-	-	(954)	(954)
Transfer to retained profits on realisation	-	(4,079)	(4,313)	-	-	-	8,392	-	-	-
Total comprehensive income for the period	-	-	-	15,283	(3,206)	-	10,583	22,660	811	23,471
Balance at 30 September 2010 - As restated	218,568	6,066	87,042	45,541	(30,635)	1,120	102,774	430,476	55,224	485,700
Transfer to retained profits on realisation	-	-	(2,801)	-	5	-	2,796	-	-	-
Total comprehensive income for the period	-	-	-	21,045	(2,019)	-	6,353	25,379	(785)	24,594
Balance at 31 December 2010	218,568	6,066	84,241	66,586	(32,649)	1,120	111,923	455,855	54,439	510,294

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

For the financial year ended 31 December 2009

	Attributable to equity holders of the Company							Total \$'000	Non- controlling interests \$'000	Total equity \$'000
	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 2009 - As previously reported	218,568	10,145	101,887	(39,927)	(50,859)	1,120	110,747	351,681	57,536	409,217
Prior year restatement	-	-	-	-	20,924	-	(20,924)	-	-	-
Balance at 1 January 2009 - As restated	218,568	10,145	101,887	(39,927)	(29,935)	1,120	89,823	351,681	57,536	409,217
Transfer to retained profits on realisation	-	-	(874)	-	-	-	874	-	-	-
Total comprehensive losses for the period	-	-	-	(5,392)	3,414	-	1,585	(393)	(966)	(1,359)
Balance at 31 March 2009 - As restated	218,568	10,145	101,013	(45,319)	(26,521)	1,120	92,282	351,288	56,570	407,858
Effect of treasury shares in a subsidiary acquired from non-controlling interests	-	-	-	-	-	-	-	-	(1)	(1)
Dividends paid to non-controlling interests of a subsidiary	-	-	-	-	-	-	-	-	(1,091)	(1,091)
Transfer to retained profits on realisation	-	-	(2,577)	-	-	-	2,577	-	-	-
Total comprehensive income for the period	-	-	-	42,674	(3,658)	-	(26,835)	12,181	(32)	12,149
Balance at 30 June 2009 - As restated	218,568	10,145	98,436	(2,645)	(30,179)	1,120	68,024	363,469	55,446	418,915
Dividends paid to non-controlling interests of a subsidiary	-	-	-	-	-	-	-	-	(549)	(549)
Transfer to retained profits on realisation	-	-	(1,084)	-	-	-	1,084	-	-	-
Total comprehensive income for the period	-	-	-	14,645	(1,433)	-	2,430	15,642	70	15,712
Balance at 30 September 2009 - As restated	218,568	10,145	97,352	12,000	(31,612)	1,120	71,538	379,111	54,967	434,078
Transfer to retained profits on realisation	-	-	(1,265)	-	-	-	1,265	-	-	-
Total comprehensive income for the period	-	-	-	1,195	1,127	-	(1,976)	346	38	384
Balance at 31 December 2009 - As restated	218,568	10,145	96,087	13,195	(30,485)	1,120	70,827	379,457	55,005	434,462

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

Notes:

The Group has reclassified a total amount of \$20.92 million from foreign currency translation reserve in equity to retained profits as a prior year adjustment. This adjustment arises from the realisation of the net foreign exchange loss relating to the reduction of the Group's net investment in Hong Kong upon the disposal of a subsidiary in 1994 and the discontinuation of a subsidiary's operation in Canada in 2003. This net foreign exchange loss should have been recognised in the income statement of prior years.

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

For the financial year ended 31 December 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
Total comprehensive income for the period	-	631	19,335	19,966
Balance at 30 June 2010	218,568	2,387	(34,222)	186,733
Total comprehensive losses for the period	-	905	(3,648)	(2,743)
Balance at 30 September 2010	218,568	3,292	(37,870)	183,990
Total comprehensive income for the period	-	398	9,117	9,515
Balance at 31 December 2010	218,568	3,690	(28,753)	193,505

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

For the financial year ended 31 December 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 losses 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	-	2,750	14,849	17,599
Balance at 30 September 2009	218,568	1,244	(65,520)	154,292
Total comprehensive income for the period	-	434	12,250	12,684
Balance at 31 December 2009	218,568	1,678	(53,270)	166,976

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:-

	31.12.2010	31.12.2009
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 December 2010 (31 December 2009: 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 2009 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 2010, the Group adopted the following revised Singapore Financial Reporting Standards (FRS).

FRS 27 (revised) Consolidated and Separate Financial Statements (effective for annual periods beginning on or after 1 July 2009)

FRS 27 (revised) requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in profit or loss.

FRS 103 (revised) Business Combinations (effective for annual periods beginning on or after 1 July 2009)

FRS 103 (revised) continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the profit or loss. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs should be expensed.

The adoption of the revised FRS mentioned above has no impact on the financial statements.

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	
	12 Months		3 Months	
	01.01.2010 To 31.12.2010	01.01.2009 To 30.12.2009	01.10.2010 To 31.12.2010	01.10.2009 To 31.12.2009
Earnings/(Loss) 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 (cents)	4.68	(4.32)	1.11	(0.34)
(b) On a fully diluted basis (cents)	4.68	(4.32)	1.11	(0.34)
Weighted average number of ordinary shares in issue for calculation of basic earnings/(loss) per share ('000)	573,920	573,920	573,920	573,920
Weighted average number of ordinary shares in issue for calculation of diluted earnings/(loss) per share ('000)	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	
	31.12.2010 Cents	31.12.2009 Cents	31.12.2010 Cents	31.12.2009 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	79.43	66.12	33.72	29.09

* 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 - 12 Months ended 31 December 2010 vs. 12 Months ended 31 December 2009

Food and Beverage division performance

The Food and Beverage (“F&B”) division recorded revenue of \$346.35 million for the current financial year ended 31 December 2010, which was 8.7% lower than the \$379.47 million achieved in the previous financial year. Despite the decrease in revenue, F&B division gross profit improved by 5.9% to \$124.90 million as compared to \$117.98 million in the previous financial year largely due to lower packaging cost, better effective selling price and sales mix in Malaysia, Singapore and North America. The increase in gross profit coupled with \$4.14 million lower selling and distribution expense which is in line with the lower sales, lower write-off of property, plant and equipment of \$2.69 million and \$1.53 million gain on liquidation of a China subsidiary was partially offset by:

- Higher advertising and promotion expense of \$5.70 million mainly due to increased promotion activities carried out in Singapore, Malaysia, USA and Guangzhou;
- Higher impairment of property, plant and equipment totalling \$3.61 million due to the Group’s (i) Malaysian subsidiary’s effort to improve operational efficiency through the consolidation of certain manufacturing operations, and (ii) the planned relocation of its Guangzhou factory; and
- Higher net exchange loss of \$2.68 million mainly due to revaluation of US dollar, HK dollar and Indonesia Rupiah denominated monetary assets where the US dollar and HK dollar has weakened against Singapore dollar and Indonesia Rupiah weakened against Malaysia Ringgit.

Overall, the F&B division recorded higher net profit after tax of \$4.70 million in the current financial year as compared to net profit after tax of \$2.20 million in the previous financial year.

Property division performance

Revenue from Property division, which is recognised progressively, increased by \$29.84 million to \$50.96 million in the current financial year as compared to \$21.12 million recorded in the previous financial year. A profit after tax of \$17.32 million is recorded in the current financial year as compared to \$6.99 million in the previous financial year.

The higher revenue and profit after tax are due to higher number of units of development properties sold in the current financial year.

Group performance

The Group recorded a profit after tax attributable to equity holders of the Company of \$26.84 million in the current financial year, as compared to a loss after tax of \$24.80 million in the previous financial year mainly due to higher profits of \$2.50 million and \$10.33 million from the F&B and Property divisions respectively, and lower impairment loss of \$39.81 million for the Group’s investment in quoted AFS as compared to previous financial year. The improvement is partially offset by lower fair value gain on investment properties of \$0.73 million in current financial year as compared to the previous financial year.

8(b) Forth Quarter Results - 3 Months ended 31 December 2010 vs. 3 Months ended 31 December 2009

Food and Beverage division performance

The F&B division recorded revenue of \$74.20 million in 4Q2010, which was 15.0% lower than the \$87.30 million achieved in 4Q2009. However, the F&B division recorded a lower net loss after tax of \$2.64 million in 4Q2010, as compared to a net loss after tax of \$6.02 million in 4Q2009 mainly due to:

- Lower selling and distribution expenses of \$1.74 million;
- Lower impairment loss on property, plant and equipment of \$1.58 million; and
- Lower property, plant and equipment written-off of \$2.60 million.

This is partially offset by lower gross profit of \$0.56 million, in line with lower revenue, higher advertising and promotion expense of \$0.50 million mainly due to more promotion activities carried out in Singapore and USA subsidiaries and higher income tax expense of \$0.56 million mainly due to higher taxable profit from the Malaysia subsidiary.

Property division performance

The Property division recorded revenue of \$13.71 million in 4Q2010 as compared to \$4.49 million in 4Q2009. The higher net profit after tax of \$5.86 million in 4Q2010 as compared to \$2.22 million in 4Q2009 was mainly due to higher number of units of development properties sold in 4Q2010.

Group performance

The Group recorded net profit after tax attributable to equity holders of the Company of \$6.35 million in 4Q2010, as compared to net loss after tax of \$1.98 million in 4Q2009 mainly due to higher net profit after tax of \$3.64 million in 4Q2010 contributed by Property division and lower net loss after tax of \$3.38 million contributed by F&B division as compared to 4Q2009, and in the absence of provision for impairment loss of \$1.36 million for the Group's investment in quoted AFS.

8(c) Balance Sheets – 31 December 2010 vs. 31 December 2009

Group

Financial assets at fair value through profit or loss increased by \$20.43 million due to investments in unit trusts made by the Group's Malaysian subsidiary in the current financial year.

Trade and other receivables for the Group decreased by \$10.98 million from \$75.80 million as at 31 December 2009 to \$64.82 million as at 31 December 2010. The decrease was mainly in line with lower sales, and improved in collection of trade debts.

Development properties for the Group decreased by \$9.87 million from \$127.30 million as at 31 December 2009 to \$117.43 million as at 31 December 2010. The decrease was largely due to additional sale of development properties during the financial year.

AFS investment increased by \$53.40 million from \$55.15 million as at 31 December 2009 to \$108.55 million as at 31 December 2010 mainly due to \$53.38 million net fair value gains on quoted AFS investment during the financial year.

Property, plant and equipment decreased by \$13.39 million from \$122.81 million as at 31 December 2009 to \$109.42 million as at 31 December 2010, mainly due to impairment loss of \$9.80 million and current period depreciation charge of \$9.55 million. The decrease was partially offset by purchases of \$6.40 million of equipment and translation gain of \$0.27 million in the current financial year.

Trade and other payables decreased by \$9.87 million from \$81.05 million as at 31 December 2009 to \$71.18 million as at 31 December 2010 mainly due to faster settlement of trade payables by the Group's Malaysia subsidiary.

Bank borrowings decreased by \$24.49 million from \$51.35 million as at 31 December 2009 to \$26.86 million as at 31 December 2010 mainly due to repayment of short-term bank loans.

Company

Trade and other receivables decreased by \$3.23 million from \$18.12 million as at 31 December 2009 to \$14.89 million as at 31 December 2010 mainly due to repayment of \$4.30 million by a subsidiary.

Loans to subsidiaries decreased by \$32.12 million from \$53.99 million as at 31 December 2009 to \$21.87 million as at 31 December 2010 mainly due to write-off of \$28.05 million loan to a subsidiary that has been deregistered during the current financial year.

Investments in subsidiaries increased by \$5.71 million from \$392.51 million as at 31 December 2009 to \$398.22 million as at 31 December 2010 mainly due to write-back of impairment of investments in subsidiaries of \$21.63 million, partially offset by liquidation of a subsidiary.

Trade and other payables decreased by \$6.30 million from \$269.30 million as at 31 December 2009 to \$263.0 million as at 31 December 2010 mainly due to write-off of \$16.00 million payable to a subsidiary that has since been liquidated, partially offset by advances to subsidiaries during the period.

Borrowings decreased by \$18.0 million from \$31.0 million as at 31 December 2009 to \$13.0 million as at 31 December 2010 due to repayment of short-term bank loans.

Loans from subsidiaries decreased by \$32.61 million from \$46.33 million as at 31 December 2009 to \$13.72 million as at 31 December 2010 mainly due to write-off of \$37.54 million loan from a subsidiary that has been deregistered during the current financial year.

8(d) Statement of Cash Flows

Year to Date - 12 months ended 31 December 2010 vs. 12 months ended 31 December 2009

The Group registered a net increase in cash of \$7.88 million for the financial year ended 31 December 2010.

Net operating cash inflows generated by the Food and Beverage division and the Property division were \$32.23 million and \$24.90 million respectively.

Cash outflow from investing activities of \$23.47 million was mainly due to purchase of financial assets at fair value through profit or loss of \$30.32 million and purchase of property, plant and equipment of \$6.40 million; and partially offset by dividend received of \$2.57 million, proceeds from disposal of financial assets, at fair value through profit or loss of \$10.10 million and interest received of \$0.50 million.

Cash outflow from financing activities of \$25.78 million was due to net repayment of bank borrowings of \$24.0 million, payment of dividend to minority shareholders of a subsidiary of \$1.15 million and payment of interest of \$0.62 million.

Forth Quarter - 3 months ended 31 December 2010 vs. 3 months ended 31 December 2009

The Group registered a net increase in cash of \$8.95 million for the fourth quarter ended 31 December 2010.

Net operating cash inflow generated by the Property division was \$11.06 million; and partially offset by net operating cash outflows of \$6.67 million from the Food and Beverage division.

Cash inflow from investing activities of \$4.65 million was mainly due to proceeds from disposal of financial assets, at fair value through profit or loss of \$10.10 million, partially offset by purchase of financial assets, at fair value through profit or loss of \$2.89 million and purchase of property, plant and equipment of \$2.69 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.

Since July 2010, the operating cost of the Group's factory in Guangzhou has increased substantially due to higher fuel costs as a result of new government directive to use environmentally friendly fuel. This will continue to adversely affect our gross profit in Guangzhou for the next 12 months. Our gross profit for the Guangzhou factory is expected to improve only after we have relocated our factory to San Shui by 2012 as announced earlier.

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.

- (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.

- (c) In 2003, a legal action was brought by Padu Bistari Development Sdn Bhd (“the Plaintiff”), against YHSM, a subsidiary of the Group, for damages of approximately \$2.9 million (RM6.7 million) and interest thereon for an alleged unlawful termination of a lease agreement entered between the parties on 2 September 1997 for the lease of the land at Lot No. 3858 EMR 3294 Mukim Cenderiang, District of Batang Padang, Perak Darul Ridzuan for the purpose of extracting of underground water, bottling warehousing and/or any other products from the land. YHSM has since amicably settled the matter with the Plaintiff out of court.

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.

14. Segmented revenue and results for business or geographical segments of the group in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

	Consumer food and beverage products	Property development	Others	Elimination	Group
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Year ended 31 December 2010					
Revenues					
- External sales	346,354	50,958	2,529	-	399,841
- Inter-segment sales	-	-	3,224	(3,224)	-
	<u>346,354</u>	<u>50,958</u>	<u>5,753</u>	<u>(3,224)</u>	<u>399,841</u>
Profit from operation	7,303	20,397	6,408		34,108
Share of results of associated companies	339	-	-		339
Segment result	<u>7,642</u>	<u>20,397</u>	<u>6,408</u>	<u>-</u>	<u>34,447</u>
Finance expenses					(649)
Profit before income tax					<u>33,798</u>
Income tax					<u>(6,902)</u>
Profit after income tax					26,896
Non-controlling interest					<u>(56)</u>
Net profit attributable to equity holders of the Company					<u>26,840</u>

	Consumer food and beverage products	Property development	Others	Elimination	Group
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Year ended 31 December 2009					
Revenues					
- External sales	379,472	21,123	1,622	-	402,217
- Inter-segment sales	-	-	3,148	(3,148)	-
	<u>379,472</u>	<u>21,123</u>	<u>4,770</u>	<u>(3,148)</u>	<u>402,217</u>
Profit/(Loss) from operation	4,129	8,661	(35,347)		(22,557)
Share of results of associated companies	887	-	-		887
Segment result	<u>5,016</u>	<u>8,661</u>	<u>(35,347)</u>	-	<u>(21,670)</u>
Finance expenses					(1,292)
Loss before income tax					<u>(22,962)</u>
Income tax					<u>(3,034)</u>
Loss after income tax					<u>(25,996)</u>
Non-controlling interest					<u>1,200</u>
Net loss attributable to equity holders of the Company					<u>(24,796)</u>

15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

15.1 Consumer Food & Beverage

The decrease in revenue of \$33.12 million for consumer food and beverage products for the financial year ended 31 December 2010 was mainly due to the termination of an agency product distribution in a subsidiary of the Group. Despite the decrease in revenue, gross profit improved by \$6.92 million due to the increase in sales of more profitable products.

15.2 Property Development

The segment recorded higher revenue of \$29.84 million which lead to higher operating profit of \$20.40 million as compared to \$8.66 million in previous financial year. The improvement was also due to write back of \$2.70 million allowance for foreseeable losses in the current financial year, which is in line with the improved property market sentiment.

15.3 Others

The segment reported an operating profit of \$6.41 million as compared to operating loss of \$35.35 million in the previous financial year due mainly to the lower impairment loss on AFS of \$39.81 million.

16. A breakdown of sales

	Group		
	Latest financial year S\$'000	Previous financial year S\$'000	% increase/ (decrease)
Sales reported for first half year	202,414	205,845	-1.7%
Operating profit/(loss) after tax before deducting minority interests reported for first half year	9,687	(25,605)	-137.8%
Sales reported for second half year	197,427	196,372	0.5%
Operating profit/(loss) after tax before deducting minority interests reported for second half year	17,209	(391)	-4501.3%

17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

Not applicable.

BY ORDER OF THE BOARD

Lim Swee Lee Joanne
Company Secretary
21 February 2011