

YHS YEO HIAP SENG LIMITED

(Company Registration No. 195500138Z)

Unaudited Financial Statements and Dividend Announcement for the period ended 30 JUNE 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

	6 Months		3 Months	
	01.01.2011 to 30.06.2011	01.01.2010 to 30.06.2010	01.04.2011 to 30.06.2011	01.04.2010 to 30.06.2010
	S\$'000	S\$'000	S\$'000	S\$'000
Revenue	222,709	202,414	114,066	94,309
Cost of sales	(140,009)	(128,920)	(70,962)	(57,429)
Gross profit	82,700	73,494	43,104	36,880
Other income	1,054	986	540	654
Other gains/(losses) - net	1,040	(4,932)	1,475	(4,288)
Expenses				
- Advertising and promotion	(18,173)	(16,068)	(8,358)	(7,575)
- Marketing	(1,462)	(858)	(874)	(509)
- Selling and distribution	(26,997)	(28,737)	(12,700)	(14,106)
- Administrative	(11,285)	(12,232)	(5,466)	(6,481)
- Finance	(120)	(438)	(43)	(195)
Share of profits of associated companies	575	327	173	118
Profit before income tax	27,332	11,542	17,851	4,498
Income tax expense	(4,713)	(1,855)	(2,533)	(62)
Net profit for the period	22,619	9,687	15,318	4,436
Other comprehensive (losses)/income:				
Financial assets, available-for-sale				
- Fair value gains	1,906	17,324	9,252	10,619
Currency translation differences arising from consolidation	(7,336)	5,598	(4,255)	910
Reduction in property revaluation reserve arising from impairment of properties	-	(2,741)	-	(2,741)
Other comprehensive (losses)/income for the period, net of tax	(5,430)	20,181	4,997	8,788
Total comprehensive income for the period	17,189	29,868	20,315	13,224
Net profit/(loss) attributable to:				
Equity holders of the Company	20,635	9,904	14,684	5,392
Non-controlling interests	1,984	(217)	634	(956)
	22,619	9,687	15,318	4,436
Total comprehensive income/(losses) attributable to:				
Equity holders of the Company	17,033	28,359	20,958	14,374
Non-controlling interests	156	1,509	(643)	(1,150)
	17,189	29,868	20,315	13,224

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

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

	6 Months		3 Months	
	01.01.2011 to 30.06.2011	01.01.2010 to 30.06.2010	01.04.2011 to 30.06.2011	01.04.2010 to 30.06.2010
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Revenue</u>				
Dividend income from financial assets, available-for-sale	(2,375)	(1,337)	(2,368)	(1,329)
<u>Cost of sales</u>				
Depreciation	1,970	2,330	996	1,164
(Write-back)/Write-down of inventories, net	(67)	803	(342)	360
<u>Marketing expense</u>				
Depreciation	12	13	6	6
<u>Selling and distribution expense</u>				
Depreciation	983	1,058	528	561
Impairment of trade receivables, net	40	583	19	291
<u>Administrative expense</u>				
Depreciation	1,166	1,457	563	725
<u>Other losses/(gains) - net</u>				
Impairment loss on property, plant and equipment	753	5,528	251	5,528
Property, plant and equipment written-off	3	43	2	37
Impairment loss on financial assets, available-for-sale	-	964	-	363
Fair value gains on financial assets, at fair value through profit or loss	(513)	-	(337)	-
Write-back of allowance for foreseeable losses on development properties	(240)	(161)	-	(180)
Net foreign exchange loss	963	979	22	694
Gain on disposal of property, plant and equipment	(491)	(101)	(35)	(99)
Write-back of loan from an associated company	(1,155)	-	(1,155)	-
<u>Other income</u>				
Interest income	(78)	(244)	(41)	(179)
<u>Finance expense</u>				
Interest expense on bank borrowings	120	438	43	195
<u>Income tax</u>				
(Over)/Under provision of tax in respect of prior years	(148)	(41)	5	(224)

1(b) Balance Sheets

	Group		Company	
	As at 30.06.2011	As at 31.12.2010	As at 30.06.2011	As at 31.12.2010
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	105,324	100,634	408	7,171
Financial assets, at fair value through profit or loss	36,501	20,429	-	-
Trade and other receivables	71,613	64,822	13,785	14,888
Inventories	42,685	46,886	-	-
Development properties	108,462	117,432	-	-
Current income tax recoverable	179	604	-	-
Other current assets	3,272	3,105	40	60
	368,036	353,912	14,233	22,119
Assets held for sale	1,078	-	-	-
	369,114	353,912	14,233	22,119
Non-current assets				
Financial assets, available-for-sale	110,195	108,548	8,822	8,568
Loans to subsidiaries	-	-	21,529	21,868
Investments in associated companies	3,689	3,204	-	-
Investments in subsidiaries	-	-	314,433	398,227
Investment properties	52,992	56,555	33,000	33,000
Property, plant and equipment	106,035	109,420	302	11
Intangible asset	-	17	-	-
Deferred income tax assets	1,205	1,381	-	-
	274,116	279,125	378,086	461,674
Total assets	643,230	633,037	392,319	483,793
LIABILITIES				
Current liabilities				
Trade and other payables	76,608	71,178	63,820	263,006
Current income tax liabilities	3,156	2,822	383	320
Borrowings	14,553	26,857	5,000	13,000
	94,317	100,857	69,203	276,326
Non-current liabilities				
Loans from subsidiaries	-	-	13,011	13,724
Provisions for other liabilities and charges	2,138	2,237	-	-
Deferred income tax liabilities	20,888	19,615	238	238
Other non-current liabilities	32	34	-	-
	23,058	21,886	13,249	13,962
Total liabilities	117,375	122,743	82,452	290,288
NET ASSETS	525,855	510,294	309,867	193,505
EQUITY				
Capital and reserves attributable to the equity holders of the Company				
Share capital	218,568	218,568	218,568	218,568
Capital reserves	6,066	6,066	-	-
Other reserves	108,080	119,298	3,919	3,690
Retained profits/(Accumulated losses)	140,174	111,923	87,380	(28,753)
	472,888	455,855	309,867	193,505
Non-controlling interests	52,967	54,439	-	-
TOTAL EQUITY	525,855	510,294	309,867	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 30.06.2011		As at 31.12.2010	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
5,553	9,000	6,857	20,000

Details of any collateral

As at 30 June 2011, short-term bank loans of the Group totalling \$5,553,000 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 certain 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

	6 Months ended		3 Months ended	
	30.06.2011	30.06.2010	30.06.2011	30.06.2010
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities				
Net profit for the period	22,619	9,687	15,318	4,436
Adjustments for :				
Income tax expense	4,713	1,855	2,533	62
Depreciation of property, plant and equipment	4,131	4,858	2,093	2,456
Dividend income from financial assets, available-for-sale	(2,375)	(1,337)	(2,368)	(1,329)
Property, plant and equipment written-off	3	43	2	37
Currency exchange difference on consolidation	(2,002)	2,720	(1,540)	632
Gain on disposal of property, plant and equipment	(491)	(101)	(35)	(99)
Fair value gains on financial assets, at fair value through profit or loss	(513)	-	(337)	-
Write-off of intangible assets	17	-	-	-
Impairment loss on financial assets, available-for-sale	-	964	-	363
Interest expense	120	438	43	195
Interest income	(78)	(244)	(41)	(179)
Write-back of allowance for foreseeable losses on development properties	(240)	(161)	-	(180)
Provision for retirement benefits	154	153	69	80
Impairment loss on property, plant and equipment	753	5,528	251	5,528
Share of profits of associated companies	(575)	(327)	(173)	(118)
Operating cash flow before working capital change	26,236	24,076	15,815	11,884
Change in working capital				
Trade and other receivables	(6,791)	5,229	(7,536)	11,316
Inventories	4,201	12,165	(4,460)	(2,340)
Development properties	9,210	3,297	8,453	2,565
Other current assets	(167)	(130)	368	128
Trade and other payables	3,792	(7,837)	1,295	(3,554)
Cash generated from operations	36,481	36,800	13,935	19,999
Income tax (paid)/refunded	(1,932)	1,681	(1,322)	2,106
Restructuring costs paid	-	(9)	-	(6)
Retirement benefits paid	(176)	(96)	(82)	(62)
Net cash provided by operating activities	34,373	38,376	12,531	22,037

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

	6 Months ended		3 Months ended	
	30.06.2011	30.06.2010	30.06.2011	30.06.2010
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from investing activities				
Dividends received from financial assets, available-for-sale	2,375	1,337	2,368	1,329
Proceeds from disposal of property, plant and equipment	519	138	42	135
Purchases of property, plant and equipment	(4,020)	(2,819)	(3,200)	(1,967)
Renovation of investment property	-	(100)	-	(100)
Purchases of financial assets, available-for-sale	(24)	(27)	(24)	(27)
Purchases of financial assets, at fair value through profit or loss	(16,266)	-	(7,933)	-
Interest received	78	244	41	179
Net cash used in investing activities	(17,338)	(1,227)	(8,706)	(451)
Cash flows from financing activities				
Withdrawal of a fixed deposit pledged for bank borrowings	6,718	-	-	-
Purchases of treasury shares in a subsidiary from non-controlling interests	(1)	(1)	(1)	(1)
Interest paid	(111)	(420)	(47)	(156)
Repayments of borrowings	(15,000)	(12,000)	-	(12,000)
Proceeds from borrowings	3,000	-	-	-
Net cash used in financing activities	(5,394)	(12,421)	(48)	(12,157)
Net increase in cash and cash equivalents	11,641	24,728	3,777	9,429
Cash and cash equivalents at the beginning of the financial period	93,683	85,801	101,547	101,100
Cash and cash equivalents at the end of the financial period*	105,324	110,529	105,324	110,529
Represented by:				
Cash at bank and on hand	43,265	39,140	43,265	39,140
Fixed deposits with financial institutions	62,059	78,916	62,059	78,916
Cash and cash equivalents as per balance sheet	105,324	118,056	105,324	118,056
Less: Fixed deposits pledged for bank borrowings	-	(7,527)	-	(7,527)
Cash and cash equivalents as per above*	105,324	110,529	105,324	110,529

Notes

Included in fixed deposits and cash at bank and on hand of the Group are amounts totalling \$68,256,000 (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 30 June 2011

	Attributable to equity holders of the Company							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	
Balance at 1 January 2011	218,568	6,066	84,241	66,586	(32,649)	1,120	455,855	510,294	
Transfer to retained profits on realisation	-	-	(2,342)	-	-	-	2,342	-	
Total comprehensive losses for the period	-	-	-	(7,403)	(2,473)	-	(3,925)	(3,126)	
Balance at 31 March 2011	218,568	6,066	81,899	59,183	(35,122)	1,120	451,930	507,168	
Effect of treasury shares in a subsidiary acquired from non-controlling interests	-	-	-	-	-	-	-	(1)	
Dividends paid to non-controlling shareholders of a subsidiary	-	-	-	-	-	-	-	(1,627)	
Transfer to retained profits on realisation	-	-	(5,274)	-	-	-	5,274	-	
Total comprehensive income for the period	-	-	-	9,162	(2,888)	-	14,684	(643)	
Balance at 30 June 2011	218,568	6,066	76,625	68,345	(38,010)	1,120	472,888	525,855	

For the financial period ended 30 June 2010

	Attributable to equity holders of the Company							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	
Balance at 1 January 2010	218,568	10,145	96,087	13,195	(30,485)	1,120	379,457	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	
Balance at 31 March 2010	218,568	10,145	94,702	19,854	(27,671)	1,120	393,442	451,106	
Effect of treasury shares in a subsidiary acquired from non-controlling interests	-	-	-	-	-	-	-	(1)	
Dividends paid to non-controlling shareholders of a subsidiary	-	-	-	-	-	-	-	(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	(1,150)	
Balance at 30 June 2010	218,568	10,145	91,355	30,258	(27,429)	1,120	407,816	463,183	

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

For the financial period ended 30 June 2011

	Share capital	Fair value reserve	(Accumulated losses) / Retained profits	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
Total comprehensive income for the period	-	(93)	116,309	116,216
Balance at 30 June 2011	218,568	3,919	87,380	309,867

For the financial period ended 30 June 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

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:-

	30.06.2011	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 30 June 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 amendment to existing standard that has been published.

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 amendment to 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 6 Months		Group 3 Months	
01.01.2011 To 30.06.2011	01.01.2010 To 30.06.2010	01.04.2011 To 30.06.2011	01.04.2010 To 30.06.2010
3.60	1.73	2.56	0.94
3.60	1.73	2.56	0.94
573,920	573,920	573,920	573,920
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	
	30.06.2011	31.12.2010	30.06.2011	31.12.2010
	Cents	Cents	Cents	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	82.40	79.43	53.99	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 - 6 Months ended 30 June 2011 vs. 6 Months ended 30 June 2010

Food and Beverage division performance

The Food and Beverage ("F&B") revenue increased slightly by 0.1% to \$184.38 million for the financial period ended 30 June 2011 as compared to \$184.15 million recorded in the corresponding period last year. The F&B division recorded higher net profit after tax of \$9.05 million in the current period as compared to net profit after tax of \$3.36 million in the corresponding period last year mainly due to:

- Higher gross profit of \$1.71 million due to better effective selling price and sales mix in the Malaysian subsidiary;
- Lower selling expenses of \$2.86 million mainly from trade offer given, write-back of accrual for bonus and salesmen commission no longer required, lower impairment of trade receivables; and
- Lower other losses mainly due to \$4.78 million lower impairment loss recognised on property, plant and equipment in the current period.

The above gains were partially offset by higher advertising and promotion expense of \$2.11 million mainly due to more activities such as launches of new products and higher tax expense of \$1.60 million which is in line with higher operating profits.

Property division performance

Revenue from Property division, which is recognised progressively, increased by \$19.03 million to \$35.96 million in the current period as compared to \$16.93 million recorded in the corresponding period last year. Net profit after tax of \$9.90 million is recorded in the current period as compared to \$4.99 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 improved performance from both the F&B and property divisions in the current period contributed to the \$10.74 million higher net profit after tax attributable to equity holders of the Company of \$20.64 million in the current period, as compared to a net profit after tax of \$9.90 million in the corresponding period last year.

8(b) Second Quarter Results - 3 Months ended 30 June 2011 vs. 3 Months ended 30 June 2010

Food and Beverage division performance

The F&B revenue increased by 5.6% to \$87.49 million for the quarter ended 30 June 2011 as compared to \$82.84 million recorded in the corresponding quarter last year. The F&B division recorded higher net profit after tax of \$5.01 million in the current quarter as compared to net loss after tax of \$0.73 million in the corresponding quarter last year mainly due to:

- Higher gross profit of \$0.30 million in line with higher revenue. The modest increase in gross profit despite the 5.6% growth in revenue was due to increase in cost of sales as a result of higher fuel, aluminium and bottle costs;
- Lower selling expenses of \$1.88 million mainly from lower trade offer given, write-back of accrual for bonus and salesmen commission no longer required and lower impairment of trade receivables; and
- Lower other losses mainly due to \$5.28 million lower impairment loss recognised on property, plant and equipment in the current quarter.

The above gains are offset by higher tax expense of \$1.43 million which is in line with higher operating profit.

Property division performance

Revenue from Property division, which is recognised progressively, increased by \$14.07 million to \$24.21 million in the current quarter as compared to \$10.14 million recorded in the corresponding quarter last year. Net profit after tax of \$6.52 million is recorded in the current quarter as compared to \$3.01 million in the corresponding quarter 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 improved performances from both the F&B and property division in the current period contributed to the \$9.29 million higher net profit after tax attributable to equity holders of the Company of \$14.68 million in the current quarter, as compared to a net profit after tax of \$5.39 million in the corresponding quarter last year.

8(c) Balance Sheets – 30 June 2011 vs. 31 December 2010

Group

Financial assets, at fair value through profit or loss increased by \$16.07 million from \$20.43 million as at 31 December 2010 to \$36.50 million as at 30 June 2011. The increase was mainly due to additional \$16.27 million investment in unit trusts made by the Group's Malaysian subsidiary in the current financial period.

Trade and other receivables increased by \$6.79 million from \$64.82 million as at 31 December 2010 to \$71.61 million as at 30 June 2011. The increase was largely in line with higher sales in the current quarter, partially offset by improved collection from Guangzhou and USA subsidiaries.

Inventories decreased by \$4.20 million from \$46.89 million as at 31 December 2010 to \$42.69 million as at 30 June 2011 mainly due to running down inventories built up in December 2010 for the Chinese New Year festive season.

Development properties decreased by \$8.97 million from \$117.43 million as at 31 December 2010 to \$108.46 million as at 30 June 2011 due to sale of development properties in the six months period ended 30 June 2011.

Property, plant and equipment decreased by \$3.38 million from \$109.42 million as at 31 December 2010 to \$106.04 million as at 30 June 2011 mainly due to current period depreciation charge of \$4.13 million, impairment loss of \$0.75 million and translation loss of \$2.49 million. The decrease was partially offset by purchases of \$4.02 million of plant and equipment in the current financial period.

Trade and other payables increased by \$5.43 million from \$71.18 million as at 31 December 2010 to \$76.61 million as at 30 June 2011 mainly due to more advertising and promotion activities in Malaysia and Singapore.

Bank borrowings decreased by \$12.31 million from \$26.86 million as at 31 December 2010 to \$14.55 million as at 30 June 2011 mainly due to repayment of short-term bank loans.

Company

Investment in subsidiaries decreased by \$83.79 million from \$398.23 million as at 31 December 2010 to \$314.43 million as at 30 June 2011 mainly due to liquidation of a subsidiary.

Trade and other payables decreased by \$199.19 million from \$263.01 million as at 31 December 2010 to \$63.82 million as at 30 June 2011 mainly due to settlement of intercompany balance of \$198.00 million upon liquidation of a subsidiary and write-back of a loan from an associated company of \$1.16 million.

Borrowings decreased by \$8.00 million from \$13.00 million as 31 December 2010 to \$5.00 million as at 30 June 2011 due to repayment of short-term bank loans.

8(d) Statement of Cash Flows

Year to Date - 6 months ended 30 June 2011 vs. 6 months ended 30 June 2010

The Group registered a net increase in cash and cash equivalents of \$11.64 million for the period ended 30 June 2011.

Net operating cash inflows generated by the Food and Beverage division and the Property division were \$14.07 million and \$20.30 million respectively.

Cash outflow from investing activities of \$17.34 million was mainly due to purchase of financial assets, at fair value through profit or loss of \$16.27 million and purchase of property, plant and equipment of \$4.02 million, partially offset by proceeds from disposal of property, plant and equipment of \$0.52 million and dividend income received of \$ 2.38 million.

Cash outflow from financing activities of \$5.39 million was due to net 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 borrowings.

Second Quarter - 3 months ended 30 June 2011 vs. 3 months ended 30 June 2010

The Group registered a net increase in cash of \$3.78 million for the quarter ended 30 June 2011.

Net operating cash outflow and inflow generated by the Food and Beverage division and the Property division were \$0.14 million and \$12.80 million respectively.

Cash outflow from investing activities of \$8.71 million was mainly due to purchase of financial assets, at fair value through profit or loss of \$7.93 million and property, plant and equipment of \$3.20 million, partially offset by dividend income received of \$2.37 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.**

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 and 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 is still awaiting for the Indonesia Supreme Court's 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.

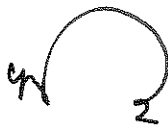
BY ORDER OF THE BOARD

Lim Swee Lee Joanne
Company Secretary
10 August 2011

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

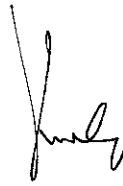
The directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited financial statements for the period ended 30 June 2011 to be false or misleading in any material respect.

On behalf of the Directors



TJONG YIK MIN
Director

10 August 2011



YAP NG SENG
Director